

CAPITAL INDIA FINANCE LIMITED

Corporate Identity Number (CIN): L74899DL1994PLC128577

Regd. Office: 701, 7th Floor, Aggarwal Corporate Tower, Plot No. 23, District Centre,
Rajendra Place, New Delhi - 110008, **Ph. No.:** 011-69146000,

Corporate Office: Level - 20, Birla Aurora, Dr. Annie Besant Road, Worli, Mumbai – 400030, **Ph. No.:** 022-45036000

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

POSTAL BALLOT NOTICE

*(Pursuant to Section 108 & 110 of the Companies Act, 2013 read with Rule 20 and Rule 22 of the Companies
(Management and Administration) Rules, 2014)*

Dear Member(s),

NOTICE is hereby given pursuant to the provisions of Section 108 and 110 of the Companies Act, 2013 (“**Act**”), read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 (“**Rules**”) and other applicable provisions, if any, of the Act & Rules and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), Secretarial Standard on General Meetings (“**SS-2**”) issued by the Institute of Company Secretaries of India and other applicable laws, rules and regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force and as amended from time to time), and General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, read with the subsequent circulars issued in this regard and General Circular No. 9/2024 dated September 19, 2024 issued by the Ministry of Corporate Affairs (“**MCA**”), read with the Securities and Exchange Board of India Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 03, 2024, (hereinafter collectively referred to as “**Circulars**”), that the resolutions appended below are proposed to be passed by the Members of Capital India Finance Limited (“**Company**”) through Postal Ballot, only by voting through remote e-voting (“**e-voting**”):

- A. Approval for sub-division/split of 1 (one) equity share having face value of INR 10 (Indian Rupees Ten only) each into 5 (five) equity shares having face value of INR 2 (Indian Rupees Two only) each;**
- B. Approval for alteration of Capital Clause of the Memorandum of Association of the Company; and**
- C. Approval for divestment of 100% stake in Capital India Home Loans Limited, a material subsidiary of the Company.**

In compliance with the aforesaid Circulars, this Postal Ballot Notice is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories as on the cut-off date i.e. Friday, December 27, 2024. The communication of assent or dissent of the Members would take place only through the e-voting system. If your e-mail address is not registered with the Company/Depositories, please follow the process provided in the Notes for registration of the same.

An Explanatory Statement pursuant to provisions of Section 102, 110 and other applicable provisions, if any, of the Act, pertaining to the resolutions providing the material facts and reasons thereof, and additional information as required under the Listing Regulations is appended to this Postal Ballot Notice.

Pursuant to Rule 22(5) of the Rules, the Board of Directors of your Company, has appointed Mr. Arun Kumar Gupta, Company Secretary in Practice (COP No.: 8003) of M/s. Arun Gupta & Associates, Company Secretaries, as the Scrutinizer to conduct the Postal Ballot through e-voting process in a fair and transparent manner.

The Company has engaged the services of KFin Technologies Limited (“KFinTech” or “Registrar and Transfer Agent” or “RTA”) as the agency to provide e-voting facility.

Members are requested to read the instructions in the Notes in this Postal Ballot Notice to cast their vote electronically. The votes can be cast during the following voting period:

Commencement of e-voting	09:00 a.m. (IST) on Tuesday, December 31, 2024
End of e-voting	05:00 p.m. (IST) on Wednesday, January 29, 2025

The Scrutinizer will submit his report to the Non-Executive Chairman of the Company, or any other person authorized by the Non-Executive Chairman, upon completion of the scrutiny of the votes cast through e-voting. The results of the Postal Ballot will be announced on or before January 30, 2025, at the registered office of the Company situated at 701, 7th Floor, Aggarwal Corporate Tower, Plot No. 23, District Centre, Rajendra Place, New Delhi – 110008 and shall be communicated to BSE Limited (“BSE”) where the securities of the Company are listed and would be displayed at the registered office of the Company, and also on its website www.capitalindia.com.

The last date specified by the Company for e-voting shall be the date on which the resolutions shall be deemed to have been passed, if approved by the requisite majority, as per the applicable provisions of the Act / Listing Regulations.

SPECIAL BUSINESSES

ITEM NO. 1: Approval for sub-division/split of 1 (one) equity share having face value of INR 10 (Indian Rupees Ten only) each into 5 (five) equity shares having face value of INR 2 (Indian Rupees Two only) each

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 61(1)(d), 64 and other applicable provisions (if any) of the Companies Act, 2013 (“Act”), read with the Companies (Share Capital and Debentures) Rules, 2014 and other relevant rules (if any), applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactments thereof, for the time being in force), extant provisions of the Memorandum & Articles of Association of the Company and subject to receipt of such approvals, sanctions, permissions and consents as may be required from the concerned authorities and subject to such other conditions and modifications as may be prescribed or imposed while granting such approvals and as recommended by the Board of Directors of the Company (hereinafter referred to as “**Board**”, which expression shall include any Committee of the Board of Directors), consent of the Members of the Company be and is hereby accorded for sub-division/split of the existing equity shares of the Company, wherein, 1 (one) equity share having face value of INR 10 (Indian Rupees Ten only) each, be sub-divided/split into 5 (five) equity shares having face value of INR 2 (Indian Rupees Two only) each, ranking pari-passu with each other in all respects with effect from the Record Date (“**Record Date**”) to be determined by the Board for this purpose.

RESOLVED FURTHER THAT pursuant to the sub-division/split of equity shares of the Company, the authorised share capital having equity shares of face value of INR 10 (Indian Rupees Ten only) each, existing as on the Record Date, shall stand sub-divided/split as follows:

Type of Capital	Pre-Sub-division/Split			Post Sub-division/Split			
	No. of Shares	Face Value	Total Share Capital	No. of Shares	Face Value	Total Share Capital	
Authorised Share Capital							
Equity Shares	20,40,00,000	10	204,00,00,000	102,00,00,000	2	204,00,00,000	
Preference Shares	1,00,00,000	10	10,00,00,000	1,00,00,000	10	10,00,00,000	
			214,00,00,000				214,00,00,000

RESOLVED FURTHER THAT the issued, subscribed and fully paid-up equity shares having face value of INR 10 (Indian Rupees Ten only) each shall be sub-divided/split as on the Record Date.

RESOLVED FURTHER THAT upon sub-division/split of equity shares and with effect from the Record Date:

- (a) for the equity shares held in physical form, the existing share certificate(s) in relation to the said equity shares, shall be deemed to have been automatically cancelled and shall be of no effect and the Board, without requiring the Members to surrender their existing share certificate(s), may issue Letters of Confirmation of the Company in compliance with the prevailing laws/ guidelines in this regard; and
- (b) for the equity shares held in dematerialized form, the sub-divided/split equity shares shall be credited proportionately into the respective beneficiary demat account(s) of the Members held with their depository participants, in lieu of the existing credits present in their respective beneficiary demat account(s).

RESOLVED FURTHER THAT the consent of the Members of the Company be and is hereby further accorded to the Board to make all the requisite alterations, modifications and adjustments to the CIFL Employee Stock Option Plan 2018 and CIFL Employee Stock Option Plan 2023 including outstanding stock options (whether vested or unvested as on the Record Date) in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, including to fix and announce the Record Date, to make appropriate adjustments on account of sub-division/ split of equity shares, to accept and make any alteration(s), modification(s) to terms and to give such directions as they may in their absolute discretion deem necessary, proper or desirable, to settle any question, difficulty that may arise with regard to the sub-division/split of the equity shares as aforesaid and to carry out/execute all matters in connection therewith and incidental thereto in order to give full effect to this resolution including execution and filing of all the relevant documents with the Registrar of Companies, Stock Exchanges, Depositories and other appropriate authorities in due compliance of the applicable rules and regulations, without seeking any further consent or approval of the Members.”

ITEM NO. 2: Approval for alteration of Capital Clause of the Memorandum of Association of the Company

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 13, 61 and other applicable provisions (if any) of the Companies Act, 2013 (**“Act”**), read with the rules made thereunder (including any statutory modifications or re-enactments thereof, for the time being in force), extant provisions of the Articles of Association of the Company and subject to receipt of such other approvals, sanctions, permissions and consents as may be required from the concerned authorities and subject to such other conditions and modifications as may be prescribed or imposed while granting such approvals and as recommended by the Board of Directors of the Company (hereinafter referred to as **“Board”**, which expression shall include any Committee of the Board of Directors), consent of the Members of the Company be and is hereby accorded to delete the existing Clause V of the Memorandum of Association of the Company in entirety and substitute the same with the following new Clause V:

V. The Authorised Share Capital of the Company is INR 214,00,00,000 (Indian Rupees Two Hundred Fourteen Crores only) divided into 102,00,00,000 (One Hundred and Two Crores) Equity Shares of INR 2 (Indian Rupees Two only) each and 1,00,00,000 (One Crore) Preference Shares of INR 10 (Indian Rupees Ten only) each.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, to give such directions as they may in their absolute discretion deem necessary, proper or desirable, to settle any question, difficulty that may arise and to carry out/ execute all matters in connection therewith and incidental thereto in order to give full effect to this resolution including execution and filing of all the relevant documents with the Registrar of Companies, Stock Exchanges, Depositories and other appropriate authorities, in due compliance of the applicable rules and regulations, without seeking any further consent or approval of the Members.”

ITEM NO. 3: Approval for divestment of 100% stake in Capital India Home Loans Limited, a material subsidiary of the Company

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Regulation 24, 37A (1) and other applicable regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“Listing Regulations”**), read with the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 alongwith the rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force), the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (as amended), the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 or any other applicable rules, regulations, guidelines or directives, issued by the Government of India, the Reserve Bank of India or other governmental or statutory authorities, the extant provisions of the Memorandum and Articles of Association of the Company and subject to obtaining such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as **“Board”**, which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute) to divest by way of sale, transfer and disposal of 15,50,00,000 (Fifteen Crores Fifty Lakhs) (including shares held by nominee shareholders) fully paid-up equity shares of INR 10 (Indian Rupees Ten only) each constituting 99.83% of the paid-up share capital held by the Company in

Capital India Home Loans Limited, a material subsidiary (“**CIHL**”), to Weaver Services Private Limited (“**Acquirer**”) for an aggregate cash consideration of INR 266,60,00,000 (Indian Rupees Two Hundred Sixty Six Crore and Sixty Lakhs only) on such terms and conditions as set forth in the Share Purchase Agreement dated October 16, 2024, executed by and amongst Capital India Finance Limited, CIHL, Acquirer and other shareholders of CIHL, post which the Company shall cease to have any equity interest (direct or indirect) and control in CIHL and CIHL shall cease to be a subsidiary of the Company.

RESOLVED FURTHER THAT all the Directors (excluding Independent Directors), Chief Executive Officer and Chief Compliance Officer & Company Secretary of the Company, be and are hereby jointly and/or severally authorized to do all such acts, deeds and things, including actions which may have been taken, as may be necessary, or deemed necessary or incidental thereto, from time to time for giving effect to the above resolution, including finalizing, varying and settling the terms and conditions of the proposed divestment (including as to aggregate consideration payable by Acquirer to the Company), to settle and finalize all issues that may arise in this regard, without further referring to the Members of the Company, to negotiate and finalize the transaction documents and amendments thereto (including providing such representations, warranties, indemnities and covenants as may be required) and to execute, deliver and perform such agreements, contracts, deeds, undertakings and other documents and subsequent modifications thereto, to file applications and make representations in respect thereof and seek the requisite approvals from the relevant authorities and third parties, and lenders, to suitably inform and apply to all the concerned authorities, to settle any questions, difficulty or doubt that may arise in this regard, and to take all necessary steps in the matter as it may in its absolute discretion and in the best interests of the Company deem necessary, desirable or expedient, to give effect to the above resolution.”

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

Sulabh Kaushal
Chief Compliance Officer & Company Secretary
M. No.: A34674

Date: December 24, 2024

Registered Office:
701, 7th Floor, Aggarwal Corporate Tower, Plot No. 23,
District Centre, Rajendra Place, New Delhi - 110008

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Act, with respect to the items of Special Businesses as set out in Notice is annexed hereto.
2. In compliance with the Circulars, this Postal Ballot Notice is being sent only through electronic mode to those Members whose names appear in the Register of Members / Register of Beneficial Owners as on Friday, December 27, 2024 (“**Cut-Off Date**”) and whose e-mail address is registered with the Company / Registrar and Transfer Agent / Depository Participants / Depositories. Physical copies of the Postal Ballot Notice along with postal ballot forms and pre-paid business reply envelopes are not being sent to Members for this Postal Ballot.
3. This Postal Ballot Notice will also be available on the Company’s website at www.capitalindia.com, website of the Stock Exchanges, i.e. BSE Limited at www.bseindia.com and on website of KFinTech at <https://evoting.kfintech.com>.
4. Only a person, whose name is recorded in the Register of Members / Register of Beneficial Owners, as on the Cut-Off Date, shall be entitled to participate in the e-voting. A person who is not a Member as on the Cut-Off Date, should treat this Postal Ballot Notice for information purpose only.
5. Subject to the provisions of the Articles of Association of the Company, voting rights of a Member / Beneficial Owner (in case of electronic shareholding) shall be in proportion to his/her/its shareholding in the paid-up equity share capital of the Company as on the Cut-Off Date.
6. Pursuant to the provisions of Sections 108, 110 and other applicable provisions of the Act and the Rules made thereunder, the MCA Circulars, Regulation 44 of the Listing Regulations read with the SEBI Master Circular bearing reference no. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, as amended (“**SEBI Master Circular**”), and SS-2 and any amendments thereto, the Company is providing the facility to the Members to exercise their right to vote on the proposed resolutions electronically. The instructions for e-voting are provided as part of this Postal Ballot Notice.
7. The e-voting period commences at 09:00 a.m. (IST) on Tuesday, December 31, 2024, and ends at 05:00 p.m. (IST) on Wednesday, January 29, 2025. The e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be forthwith disabled by KFinTech upon expiry of the aforesaid period.
8. The resolution, if approved, shall be deemed to have been passed on the last date of e-voting i.e. on Wednesday, January 29, 2025.
9. All the documents referred to in this Postal Ballot Notice will be available for inspection electronically without any fee by the Members from the date of circulation of this Postal Ballot Notice until the last date of e-voting. Members seeking to inspect such documents can send an email to secretarial@capitalindia.com.
10. The instructions for e-voting are as under:
 - a. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the Listing Regulations and in terms of SEBI Master circular in relation to e-voting facility provided by listed entities, the Members are provided

with the facility to cast their vote electronically, through the e-voting services provided by KFinTech, on the resolutions set forth in this Notice. The instructions for e-voting are given herein below.

- b. However, pursuant to SEBI Master circular on “e-voting facility provided by listed entities”, e-voting process has been enabled to all the **individual demat account holders**, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
- c. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
- d. The e-Voting period commences from **Tuesday, December 31, 2024 (09:00 A.M. IST)** and will end on **Wednesday, January 29, 2025 (05:00 P.M. IST)**.
- e. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. **Friday, December 27, 2024**.
- f. The details of the process and manner for e-Voting are explained herein below:

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

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

Details on Step 1 are mentioned below:

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

Type of shareholders	Login Method
Individual shareholders holding securities in Demat mode with National Securities Depository Limited (“NSDL”)	<p>A. User already registered for IDeAS facility:</p> <ol style="list-style-type: none"> 1. Open https://eservices.nsdl.com 2. Click on the “Beneficial Owner” icon under ‘IDeAS’ section. 3. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting” 4. Click on Company Name or e-Voting service provider and you will be re-directed to e-voting service provider website for casting your vote during the e-Voting period. <p>B. User not registered for IDeAS e-Services</p> <ol style="list-style-type: none"> 1. To register, open https://eservices.nsdl.com either on a Personal Computer or on a mobile. 2. Select “Register Online for IDeAS Portal” or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Proceed with completing the required fields. 4. Then, follow steps given in point A above for casting your vote.

	<p>C. Alternatively, by directly accessing the e-Voting website of NSDL</p> <ol style="list-style-type: none"> 1. Open https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. 2. Click on the icon “Login” which is available under ‘Shareholder/Member’ section. 3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit Demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e. KFinTech. 5. On successful selection, you will be redirected to KFinTech e-Voting page for casting your vote during the e-Voting period.
<p>Individual Shareholders holding securities in Demat mode with Central Depository Services (India) Limited (“CDSL”)</p>	<p>A. Existing user who have opted for Easi / Easiest</p> <ol style="list-style-type: none"> 1. Click at https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com 2. Click on New System Myeasi. 3. Login with registered user ID and Password 4. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFinTech e-Voting portal. 5. Click on e-voting service provider name i.e. KFinTech to cast your vote <p>B. User not registered for Easi/Easiest</p> <ol style="list-style-type: none"> 1. Option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration 2. Proceed with completing the required fields. 3. Then, follow steps given in point A above for casting your vote. <p>C. Alternatively, by directly accessing the e-Voting website of CDSL</p> <ol style="list-style-type: none"> 1. Visit URL: https://evoting.cdslindia.com/Evoting/EvotingLogin 2. Provide your demat Account Number and PAN No. 3. System will authenticate user by sending OTP on registered Mobile & E-mail as recorded in the demat Account. 4. After successful authentication, user will be provided links for the respective ESP, i.e. KFinTech where the e- Voting is in progress.
<p>Individual Shareholders (holding securities in Demat mode) login through their depository participants</p>	<p>A. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.</p> <p>B. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</p> <p>C. Click on options available against company name or e-Voting service provider – KFinTech and you will be redirected to e-Voting website of KFinTech for casting your vote during the e-Voting period without any further authentication.</p>

Note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

Details on Step 2 are mentioned below:

II) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.

Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFinTech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- i. Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
- ii. Enter the login credentials i.e. User ID and password mentioned in your e-mail. In case of physical folio, User ID will be EVEN (E-Voting Event Number) 8587, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and password for casting the vote.
- iii. Click on LOGIN.
- iv. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise 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.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the EVEN i.e. 8587 for Capital India Finance Limited and click on "Submit".
- vii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN', in which case, the shares held will not be counted under either head.
- viii. 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.
- ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

- x. Cast your votes 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 your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- xii. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned pdf of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at aruncs.gupta@gmail.com with a copy marked to evoting@kfintech.com and may also upload the same in the e-voting module in their login. The scanned pdf of the above documents should be in the naming format 'Capital India Finance Limited – EVEN 8587'. The documents should reach the Scrutinizer on or before 5:00 pm on Wednesday, January 29, 2025.
- xiii. If the results of e-voting indicate that the requisite majority of the Members had assented to the Resolution. The Scrutinizer's decision on the validity of e-voting shall be final. As indicated earlier, the results will be published on the website of the Company - www.capitalindia.com besides being notified to BSE. Scrutinizer's Report along with voting results will also be posted on the website of KFintech at <https://evoting.kfintech.com>

OTHER INSTRUCTIONS

- I. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) at <https://ris.kfintech.com/faq.html> and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFinTech Website) or contact Mr. N Shiva Kumar, at evoting@kfintech.com or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.
- II. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **December 27, 2024**, being the cut-off date, are entitled to vote on the Resolution set forth in this Notice. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- III. **Procedure for Registration of email and Mobile:**

Members who have not registered their e-mail address are requested to register the same with the Depository Participant(s) where they maintain their demat accounts, if the shares are held in electronic form. For more information on updating the email and Mobile details for securities held in electronic mode, please reach out to the respective DP(s), where the DEMAT a/c is being held.

Physical shareholders are hereby notified that based on SEBI Circular number: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37, dated March 16, 2023, all holders of physical securities of the Company shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. Holder can register/update the contact details/Bank Account details through submitting the requisite ISR 1 form along with the supporting documents.

ISR 1 Form can be obtained by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx>

ISR Form(s) and the supporting documents can be provided by any one of the following modes.

- a. Through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or
- b. Through hard copies which are self-attested, which can be shared to the RTA - **KFIN Technologies Limited** at below address; or

Name	KFIN Technologies Limited
Address	Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032.

- c. Through electronic mode with e-sign by following the link:
<https://ris.kfintech.com/clientservices/isc/default.aspx#>

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013, READ WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 SETTING OUT THE MATERIAL FACTS RELATING TO THE SPECIAL BUSINESSES MENTIONED IN THE NOTICE

Item No. 1 & 2

The equity shares of the Company are listed and traded on BSE Limited. With a view to enhance liquidity of the Company's equity shares and to encourage participation of small investors by making equity shares of the Company more attractive to invest, the Board of Directors of the Company in their meeting held on December 24, 2024 considered and approved, subject to the approval of Members of the Company and statutory authorities (if any), the sub-division/split of the existing equity shares of the Company, such that 1 (one) equity share having face value of INR 10 (Indian Rupees Ten only) each, be sub-divided / split into 5 (five) equity shares having face value of INR 2 (Indian Rupees Two only) each, ranking pari-passu with each other in all respects with effect from the Record Date ("**Record Date**") to be determined by the Board of Directors for this purpose.

The sub-division/split of equity shares would inter-alia require appropriate adjustments to be made by the Board to ensure fair and reasonable adjustment to the entitlement of the participants under the following schemes of the Company:

- (a) CIFL Employee Stock Option Plan 2018; and
- (b) CIFL Employee Stock Option Plan 2023

with respect to outstanding stock options (whether vested or unvested as on the Record Date) in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time.

The sub-division/split of equity shares of the Company as aforesaid would require consequential alteration to the existing Capital Clause i.e. Clause V of the Memorandum of Association ("**MOA**") of the Company. There will not be any change in the amount of authorized, subscribed, issued and paid-up share capital of the Company on account of sub-division/split of equity shares. Further, in compliance of the applicable provisions of the Companies Act, 2013 ("**Act**") and other applicable regulations/ provisions in this regard, such sub-division/split shall not be construed as reduction in share capital of the Company.

Draft copy of the altered MOA of the Company and other documents is available for inspection at the Company's registered office during official hours on all working days till the last date of the voting and will also be available for inspection to the Members through electronic mode. Members may write to the Company at secretarial@capitalindia.com in this regard, by mentioning "Request for Inspection" in the subject of the e-mail.

In terms of the provisions of Sections 13, 61, 64 and other applicable provisions of the Act, approval of the Members of the Company is sought by way of ordinary resolution(s) for sub-division/split of equity shares and consequential alteration to Capital Clause (Clause V) of MOA of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise in the resolution(s) except to the extent of their shareholding, if any, in the Company.

The Board of Directors of the Company recommend the resolution(s) set out at item nos. 1 & 2 for approval of the Members as Ordinary Resolution(s).

Item No. 3

The Board of Directors of the Company, in its meeting held on October 16, 2024, subject to the approval of the members of the Company by way of special resolution and subject to such other approvals, consents, permissions and sanctions as may be necessary, approved the sale of its entire stake in the housing finance subsidiary, by way of sale, transfer and disposal of 15,50,00,000 (Fifteen Crores Fifty Lakhs) (including shares held by nominee shareholders) fully paid-up equity shares of INR 10 (Indian Rupees Ten only) each constituting 99.83% of the paid-up share capital held by the Company in Capital India Home Loans Limited, a material subsidiary (“**CIHL**”), to Weaver Services Private Limited (“**Acquirer**”), which is backed by prominent investors, for an aggregate cash consideration of INR 266,60,00,000 (Indian Rupees Two Hundred Sixty Six Crore and Sixty Lakhs only) on such terms and conditions as set forth in the Share Purchase Agreement dated October 16, 2024, executed by and amongst the Company, CIHL, Acquirer and other shareholders of CIHL (“**SPA**”), post which the Company shall cease to have any equity interest (direct or indirect) and control in CIHL and CIHL shall cease to be a subsidiary of the Company.

CIHL was incorporated on August 11, 2017, as an unlisted public limited company under the Companies Act, 2013 and is a material subsidiary of the Company. CIHL is a new age housing finance company (HFC) registered with National Housing Bank (NHB). Its major focus is on affordable home loans offering to home buyers in the lower and middle-income groups. CIHL has a pan-India presence with 27 branches and an AUM of INR 45,130 Lakhs and Net Worth of INR 14,526.37 Lakhs as of March 31, 2024.

Weaver Services Private Limited, a company duly incorporated under the laws of India and having its registered office at Mumbai, Maharashtra, had expressed its intention to acquire the entire 15,52,75,000 (Fifteen Crores Fifty Two Lakhs Seventy Five Thousand) fully paid-up equity shares of INR 10 (Indian Rupees Ten only) each, including 15,50,00,000 (Fifteen Crores Fifty Lakhs) fully paid-up equity shares of INR 10 (Indian Rupees Ten only) each held by the Company along-with its nominees, in its material subsidiary, CIHL.

The information/details pursuant to Regulation 37A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), are set forth below:

Object for divestment & Commercial rationale : By divesting from non-core home finance business, the Company aims to free up capital for investment in its primary business, thereby strengthening its balance sheet.

The Company has undergone a strategic shift in its business focus post covid, transitioning from wholesale lending to retail lending. This change in focus necessitates the realignment of business operations and resources to ensure maximum efficiency and synergy across the organization.

The housing finance subsidiary has built an operational foundation over the years, and the sale provides an opportunity to unlock value for shareholders. Also, this move not only enhances overall operational efficiency but also reduces exposure to specific market risks associated with the affordable housing finance sector.

End Use of proceeds : The proceeds from the sale of CIHL shall be utilized by the Company in strengthening its core business and can be reinvested in higher-growth retail lending opportunities, ultimately benefiting the shareholders.

Consent of the members is being sought by way of special resolution pursuant to the Regulation 24(5), 37A and other applicable regulations of the Listing Regulations, Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 read with the rules made thereunder and the applicable provisions of the Master Direction – Reserve Bank of India

(Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (as amended) and the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.

None of the Directors and key managerial personnel of the Company including their relatives are interested or concerned in the resolutions, except to the extent of their shareholding, if any.

The Board is of the opinion that the aforementioned proposal is in the best interest of the Company and hence the Board of the Company recommend the resolution set out at item no. 3 for approval of the Members as a Special Resolution.

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

Sulabh Kaushal
Chief Compliance Officer & Company Secretary
M. No.: A34674

Date: December 24, 2024

Registered Office:
701, 7th Floor, Aggarwal Corporate Tower, Plot No. 23,
District Centre, Rajendra Place, New Delhi - 110008