

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL CONSOLIDATED
FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
Capital India Finance Limited**

Opinion and Conclusion

We have (a) audited the Consolidated Financial Results for the year ended March 31, 2021 and (b) reviewed the Consolidated Financial Results for the quarter ended March 31, 2021 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Consolidated Financial Results for the Quarter and Year Ended March 31, 2021" of Capital India Finance Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Consolidated Financial Results

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the audit reports of the other auditors on separate financial statements / financial information of the subsidiaries referred to in Other Matters section below, the Consolidated Financial Results for the year ended March 31, 2021:

- i. includes the results of the following entities:

Sr no	Name of the Entities	Relationship
1	Capital India Finance Limited	Parent
2	Capital India Home Loans Limited	Subsidiary
3	Capital India Asset Management Private Limited	Subsidiary
4	Capital India Wealth Management Private Limited	Subsidiary
5	CIFL Holdings Private Limited	Subsidiary
6	CIFL Investment Adviser Private Limited (Formerly known as CIFL Investment Manager Private Limited)	Subsidiary
7	Rapipay Fintech Private Limited	Subsidiary



- ii. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- iii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the year ended March 31, 2021.

(b) Conclusion on Unaudited Consolidated Financial Results for the quarter ended March 31, 2021

With respect to the Consolidated Financial Results for the quarter ended March 31, 2021, based on our review conducted and procedures performed as stated in paragraph (b) of Auditor's Responsibilities section below and based on the consideration of the review reports of the other auditors referred to in Other Matters section below, nothing has come to our attention that causes us to believe that the Consolidated Financial Results for the quarter ended March 31, 2021, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Basis for Opinion on the Audited Consolidated Financial Results for the year ended March 31, 2021

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results for the year ended March 31, 2021 under the provisions of the Act and the Rules 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to Note 9 to the Statement, which describes that the potential impact of the COVID-19 Pandemic on the Company's financial statements and particularly the impairment provisions are dependent on future developments, which are highly uncertain.

Our opinion and conclusion is not modified in respect of this matter.



Management's Responsibilities for the Statement

This Statement, which includes the Consolidated Financial Results is the responsibility of the Parent's Board of Directors and has been approved by them for the issuance. The Consolidated Financial Results for the year ended March 31, 2021, has been compiled from the related audited consolidated financial statements. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and year ended March 31, 2021 that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

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 the 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 respective financial results 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 this Consolidated Financial Results by the Directors of the Parent, as aforesaid.

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

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

Auditor's Responsibilities

(a) Audit of the Consolidated Financial Results for the year ended March 31, 2021

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the year ended March 31, 2021 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 this Consolidated Financial Results.

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 Annual Consolidated Financial Results, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' 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 auditor's report to the related disclosures in the Consolidated Financial Results 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 auditor's 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 Annual Consolidated Financial Results, including the disclosures, and whether the Annual Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results/ Financial Information of the entities within the Group to express an opinion on the Annual Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Annual Consolidated Financial Results of which we are the independent auditors. For the other entities included in the Annual Consolidated Financial Results, 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 Annual Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Consolidated Financial Results 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 Annual Consolidated Financial Results.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Results 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.

(b) Review of the Consolidated Financial Results for the quarter ended March 31, 2021

We conducted our review of the Consolidated Financial Results for the quarter ended March 31, 2021 in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The Statement includes the results of the entities as listed under paragraph (a)(i) of Opinion and Conclusion section above.

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

Other Matters

- The Statement includes the results for the Quarter ended March 31, 2021 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report is not modified in respect of this matter.
- We did not audit the financial statements of five subsidiaries included in the consolidated financial results, whose financial statements reflect total assets of Rs. 18,845.76 lakhs as at March 31, 2021 and total revenues of Rs. 18,709.90 lakhs and Rs. 20,980.18 lakhs for the quarter and year ended March 31, 2021 respectively, total net (loss) after tax of Rs. 422.78 lakhs and Rs. 794.95 lakhs for the quarter and year ended March 31, 2021 respectively and total comprehensive loss of Rs. 422.89 lakhs and Rs. 795.06 lakhs for the quarter and year ended March 31, 2021 respectively and net cash flows of Rs. 2,743.54 lakhs for the year ended March 31, 2021, as considered in the Statement. These financial statements have been audited/ reviewed, as applicable, by other auditors whose reports have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.



**Deloitte
Haskins & Sells LLP**

Our report on the Statement 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.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Pallavi A. Gorakshakar
Partner
(Membership No. 105035)
(UDIN: 21105035AAAAFA4658)

Place: Mumbai
Date: 26 May 2021

(Rs. in lakhs)

Statement of Consolidated Audited Financial Results for the quarter and year ended March 31 2021						
S.No.	Particulars	Quarter Ended		Year ended		
		March 31 2021 Refer Note 12	December 31 2020 Unaudited	March 31 2020 Refer Note 12	March 31 2021 (Audited)	March 31 2020 (Audited)
	Revenue from operations					
(i)	Interest income	2,586.51	2,770.31	2,800.95	10,577.03	10,742.06
(ii)	Fees and commission income	1,026.33	5,031.12	3,543.79	12,910.09	6,700.51
(iii)	Sale of foreign currency	15,606.04	10,606.73	-	26,269.34	195.00
(iv)	Sale of devices	6,707.66	472.53	11.27	7,636.77	29.87
(v)	Net gain on fair value changes	46.40	43.12	29.15	128.12	225.33
(vi)	Other operating income	227.38	128.62	11.40	428.09	32.30
(I)	Total revenue from operations	26,200.32	19,052.43	6,396.56	57,949.44	17,925.07
(II)	Other income	1.21	-	0.15	1.21	2.17
(III)	Total Income (I+II)	26,201.53	19,052.43	6,396.71	57,950.65	17,927.24
	Expenses					
(i)	Finance costs	839.85	647.73	527.10	2,425.20	1,669.51
(ii)	Impairment of financial assets (Refer Note 9)	(154.70)	67.03	998.51	3.47	1,391.60
(iii)	Loss on derecognition of financial assets	-	-	-	-	130.00
(iv)	Fees and commission expense	639.20	4,550.41	3,179.02	11,387.50	6,027.76
(v)	Purchases of Stock-in-trade	15,782.22	10,909.06	17.30	27,147.59	38.64
(vi)	Changes in inventories of Stock-in-trade	(120.90)	(55.40)	-	(301.65)	(11.56)
(vii)	Employee benefits expenses	1,868.36	1,504.79	967.84	5,539.56	3,824.51
(viii)	Depreciation and amortization	407.33	367.52	294.09	1,465.00	1,151.97
(ix)	Others expenses	7,310.32	834.85	457.85	8,808.54	1,267.56
(IV)	Total Expenses	26,571.68	18,825.99	6,444.71	56,475.21	15,492.99
(V)	Profit/(loss) before tax (III-IV)	(370.15)	226.43	(48.00)	1,475.44	2,434.25
(VI)	Tax expense :					
(1)	Current tax	134.09	118.13	382.81	759.30	1,440.49
(2)	Deferred tax	59.31	94.11	(258.27)	107.65	(392.31)
(VII)	Profit/(loss) for the year/period (V-VI)	(563.55)	1,390	(169.54)	608.49	1,386.07
	Profit/(loss) for the year/period attributable to:					
	Owners of the Company	(445.75)	194.39	(139.62)	960.35	1,723.09
	Non-controlling interest	(117.80)	(180.49)	(129.92)	(351.86)	(337.02)
	Other Comprehensive Income					
(i)	Items that will not be reclassified to profit or loss	36.61	-	16.36	36.61	16.36
(ii)	Income Tax relating to items that will not be reclassified to profit or loss	(9.21)	-	(4.15)	(9.21)	(4.15)
(VIII)	Other Comprehensive Income	27.40	-	12.22	27.40	12.22
(IX)	Total Comprehensive Income/(loss) (VII+VIII)	(536.15)	1,390	(157.32)	635.89	1,398.29
	Total comprehensive income/(loss) for the year/period attributable to:					
	Owners of the Company	(418.30)	194.39	(28.03)	987.80	1,734.68
	Non-controlling interest	(117.85)	(180.49)	(129.29)	(351.91)	(336.39)
(X)	Paid-up equity share capital (Face value of 10/- each)	7,773.43	7,773.43	7,773.43	7,773.43	7,773.43
(XI)	Reserves excluding Revaluation reserve as per Balance Sheet				48,514.88	44,376.31
(XII)	Earnings per share: *					
(a)	Basic (Rs.)	(0.57)	0.25	(0.05)	1.24	2.22
(b)	Diluted (Rs.)	(0.57)	0.25	(0.05)	1.22	2.19
	Net Face value per equity share (Rs)	10.00	10.00	10.00	10.00	10.00

*Earning per share for Quarter is not annualised

Notes :-

1) Consolidated Statement of Assets and Liabilities as at March 31, 2021

		(Rs. in lakhs)	
S.No.	Particulars	As at March 31, 2021 Audited	As at March 31, 2020 Audited
	ASSETS		
1	Financial Assets		
(a)	Cash & cash equivalents	14,204.29	6,791.07
(b)	Bank balances other than Cash & cash equivalents	8,596.37	124.09
(c)	Receivables		
(i)	Trade Receivables	656.58	66.19
(ii)	Other Receivables	24.57	19.23
(d)	Loans	68,474.98	56,457.58
(e)	Investments	-	863.41
(f)	Other financial assets	4,231.16	603.43
2	Non-financial Assets		
(a)	Inventories	261.68	11.56
(b)	Current tax assets (net)	547.98	387.04
(c)	Deferred tax asset (net)	583.59	700.43
(d)	Property, plant and equipment	1,616.12	1,731.11
(e)	Capital work in progress	348.86	42.16
(f)	Goodwill on Consolidation	552.26	552.26
(g)	Other intangible assets	669.02	469.23
(h)	Intangible Assets Under Development	159.34	89.80
(i)	Right of use assets	2,803.83	1,900.83
(j)	Other non-financial assets	623.69	453.19
	TOTAL ASSETS	1,04,354.32	71,262.63
	LIABILITIES AND EQUITY		
1	Financial Liabilities		
(a)	Payables		
	- Trade Payables		
	total outstanding dues of micro enterprises and small enterprises	31.58	0.16
	total outstanding dues of creditors other than micro enterprises and small enterprises	313.73	133.26
	- Other Payables		
	total outstanding dues of micro enterprises and small enterprises	-	-
	total outstanding dues of creditors other than micro enterprises and small enterprises	68.29	32.07
(b)	Debt Securities	11,500.00	4,000.00
(c)	Borrowings	17,409.44	8,099.26
(d)	Other financial liabilities	13,789.23	5,248.63
2	Non-Financial Liabilities		
(a)	Current tax liabilities (net)	-	383.34
(b)	Provisions	803.71	318.84
(c)	Deferred tax liabilities (net)	-	-
(d)	Other non-financial liabilities	782.17	385.22
3	Equity		
(a)	Equity share capital	7,773.43	7,773.43
(b)	Other equity	48,514.88	44,376.31
(c)	Non-controlling interest	3,367.86	512.11
	TOTAL - LIABILITIES AND EQUITY	1,04,354.32	71,262.63



2) Consolidated Statement of Cash Flow for the year ended March 31, 2021

S.No.	Particulars	(Rs. In Lakhs)	
		March 31, 2021 Audited	March 31, 2020 Audited
1	Cash From Operating Activities:		
	Net profit before tax	1,475.44	2,434.25
	Non-cash/ separately considered income/expense	2,216.50	2,662.27
	Other Adjustments	(10,610.16)	(2,104.44)
	Net Cash (used In) / generated from operating activities (A)	(6,918.22)	2,992.08
2	Net Cash generated/ (used in) from investing activities (B)	(8,736.27)	541.73
3	Net cash generated from / (used in) financing activities (C)	23,097.71	(1,656.17)
4	Net increase in cash and cash equivalents (A+B+C)	7,443.22	1,877.64
5	Cash and cash equivalents as at the beginning of the year	6,791.07	2,915.96
6	Cash received on acquisition of Subsidiary	-	1,967.47
7	Cash and cash equivalents as at the end of the year	14,234.29	6,791.07

3) The consolidated financial results have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 ("the Act") read with relevant rules issued thereunder and the other accounting principles generally accepted in India.

4) The consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 26, 2021.

5) The consolidated financial results for the year ended 31 March 2021 were audited by the Statutory Auditors of the Company.

6) The Board of Directors have recommended, subject to approval of shareholders, dividend of Re. 0.10 per share (1%) for FY 2021.

7) Consolidated Segment information in accordance with the Ind AS 108 - Operating Segments of the Group is as under:

Sr. No.	Particulars	Quarter Ended		Year ended	
		March 31, 2021 Refer Note 12	December 31, 2020 Unaudited	March 31, 2020 Refer Note 12 (Audited)	March 31, 2020 (Audited)
1	Segment Revenue				
	Lending business	2,610.96	2,781.58	2,852.92	10,645.65
	Prepaid Payment Instrument business	7,955.49	5,643.71	3,543.79	20,974.07
	Forex business	15,635.07	10,627.13	-	26,330.92
	Total Segment Revenue	26,201.52	19,052.43	6,396.71	57,950.65
2	Segment Results (Profit before Tax)				
	Lending business	439.36	777.10	365.86	3,322.02
	Prepaid Payment Instrument business	(541.05)	(359.33)	(409.32)	(1,034.70)
	Forex business	(267.14)	(190.64)	-	(809.36)
	Others	(1.32)	(0.70)	(1.54)	(2.52)
	Total Segment Results	(370.15)	226.43	(45.00)	1,475.44
3	Segment Assets				
	Lending business	83,221.23	83,198.16	65,282.28	83,221.23
	Prepaid Payment Instrument business	18,081.85	15,473.52	4,885.89	18,081.85
	Forex business	1,915.08	1,911.24	-	1,915.08
	Unallocated	1,131.57	1,114.22	1,087.49	1,131.57
	Others	4.59	5.15	6.97	4.59
	Total Segment Assets	1,04,354.32	1,01,702.27	71,262.64	1,04,354.32
4	Segment Liabilities				
	Lending business	32,886.42	33,191.77	14,957.19	32,886.42
	Prepaid Payment Instrument business	11,232.68	7,766.08	3,642.27	11,232.68
	Forex business	577.58	463.95	-	577.58
	Unallocated	-	83.98	-	-
	Others	1.47	2.10	1.52	1.47
	Total Segment Liabilities	44,698.15	41,509.88	18,600.79	44,698.15

Note: Business Segments have been identified and reported taking into account the nature of products and services, the organisation structure, the internal business reporting system and the guidelines prescribed by the RBI. The Group doesn't have any reportable geographical segment.

- 8) The Board of Directors of Rapijaya Fintech Private Limited (RFPL) ("the Company/the Transferee Company") being our subsidiary in their meeting held on January 27, 2020, approved the Scheme of Amalgamation between the Company and Rapijaya Fintech Holding Private Limited (RFHPL) ("the Transferor Company") and their respective Shareholders and Creditors ("the Scheme") under section 230 to 232 of Companies Act, 2013 and other applicable provisions of the Companies Act 2013 for Amalgamation of the businesses from the Transferor Company, inter alia, consisting of entire undertaking, business, activities and operations pertaining to the business and its transfer as a going concern to the Transferee Company as per Ind AS 103. In terms of the Scheme the amalgamation has been accounted for in accordance with the Pooling of Interest Method laid down in Appendix C of Ind AS 103 "Business Combinations of entities under common control". The Transferee Company has issued and allotted to each of the shareholders of the Transferor Company, 9446 equity shares of face value of Rs. 10/- each, of the Transferee Company for every 10,000 equity shares of face value of Rs. 10/- each held by the shareholder of the Transferor Company pursuant to this Scheme. Hence, on March 31, 2021, 88,46,273 equity shares have been issued to Capital India Finance Limited (CIPL) the shareholders of RFHPL at face value of Rs. 10 each.
- 9) The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Consequently to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. Given the uncertainty over the potential macro-economic impact and external regulatory developments, the Management has considered internal and external information upto the date of approval of these financial results, and has estimated overlays and made certain judgements in accordance with the policy of the Group for the purpose of determination of the provision for impairment of financial assets carried at amortised cost and in relation to revenue recognition. The impairment provision as on March 31, 2021 aggregates Rs. 1,782.18 lakh (as on March 31, 2020 - Rs. 1,778.71 lakh) which includes potential impact on account of the pandemic of Rs. 1,072.20 lakh (as on March 31, 2020 - Rs. 1,367.09 lakh). Based on the current indicators of future economic conditions, the Group considers these provisions to be adequate. The extent to which the pandemic including the current "second wave" that has significantly increased the number of cases in India, will continue to impact the results of the Group will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Group. Given the uncertainty over the potential macro-economic condition the impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these financial results and the Group will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future period.
- 10) In line with the judgment pronounced by the Hon'ble Supreme Court of India in the matter of Small Scale Industrial Manufacturers Association v/s. UOI & Others and other connected matters on March 23, 2021, the Reserve Bank of India (RBI) vide their Circular no. RBI/2021-22/17 DOR STR REC-4/21 dated April 7, 2021 has mandated all lending institutions to put in place a Board-approved policy to refund/adjust the "interest on interest" charged to the borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020 in conformity with the above judgement. In order to ensure that the above judgement is implemented uniformly in letter and spirit by all lending institutions, the RBI also suggested that the methodology for calculation of the amount to be refunded/adjusted for different facilities shall be as limited by the Indian Banks Association (IBA) in consultation with other industry participants/bodies, which shall be adopted by all lending institutions. The IBA Managing Committee at their meeting held on March 25, 2021 and April 16, 2021 has clarified that interest on interest/penal interest/compound interest, if charged during the moratorium on borrowing accounts, should be refunded or adjusted in the next instalment of the loan account. Accordingly, Company will refund/adjust Rs.209.92 Lakhs from the subsequent installments.
- 11) The Code on Wages, 2019 and Code Social Security, 2020 ("the Codes") relating to employees compensation and post-employment benefits that received Presidential assent have not been notified. Further, the related rules for quantifying the financial impact have not been notified. The Company will assess the impact of the Codes when the rules are notified and will record any related impact in the period the Codes become effective.
- 12) The figures of the quarters ended 31st March in the balancing figures between the audited figures in respect of the full financial year and published year to date figures up to the third quarter of the relevant financial year which were subject to limited review by the Statutory Auditors of the Company.
- 13) Previous period/year figures have been regrouped/reclassified to make them comparable with those of current period/year.



Place: Mumbai
Date: May 26, 2021

By order of the Board
Capital India Finance Limited

Kishan Porwal
Managing Director
DIN: 06706341

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL STANDALONE
FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
CAPITAL INDIA FINANCE LIMITED**

Opinion and Conclusion

We have (a) audited the Standalone Financial Results for the year ended March 31, 2021 and (b) reviewed the Standalone Financial Results for the quarter ended March 31, 2021 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Standalone Financial Results for the Quarter and Year Ended March 31, 2021 ("the Statement") of **CAPITAL INDIA FINANCE LIMITED** ("the Company"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Results for the year ended March 31, 2021:

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

(b) Conclusion on Unaudited Standalone Financial Results for the quarter ended March 31, 2021

With respect to the Standalone Financial Results for the quarter ended March 31, 2021, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended March 31, 2021, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Basis for Opinion on the Audited Standalone Financial Results for the year ended March 31, 2021

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended March 31, 2021 under the provisions of the Act and the Rules 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.

Emphasis of Matter

We draw attention to Note 11 to the Statement, which describes that the potential impact of the COVID-19 Pandemic on the Company's financial statements and particularly the impairment provisions are dependent on future developments, which are highly uncertain.

Our opinion and conclusion is not modified in respect of this matter.

Management's Responsibilities for the Statement

This Statement which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended March 31, 2021 has been compiled from the related audited standalone financial statements. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31, 2021 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 the 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 Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.



Auditor's Responsibilities

(a) Audit of the Standalone Financial Results for the year ended March 31, 2021

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended March 31, 2021 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 this Standalone Financial Results.

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 Annual Standalone Financial Results, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' 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 Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement 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 auditor's 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 Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company to express an opinion on the Annual Standalone Financial Results.



Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial Results 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 Annual Standalone Financial Results.

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.

(b) Review of the Standalone Financial Results for the quarter ended March 31, 2021

We conducted our review of the Standalone Financial Results for the quarter ended March 31, 2021 in accordance with the Standard on Review Engagements ("SRE") 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other Matters

- The Statement includes the results for the Quarter ended March 31, 2021 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report is not modified in respect of this matter.

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

Pallavi A. Gorakshakar
(Partner)
(Membership No. 105035)
(UDIN:21105035AAAAEY4442)

(Rs. In lakhs)

Statement of Standalone Financial Results for the quarter and year ended March 31, 2021

S.No.	Particulars	Quarter Ended		Year Ended	
		March 31, 2021 Refer Note 14	December 31, 2020 Unaudited	March 31, 2020 Refer Note 14	March 31, 2020 Audited
	Revenue from operation				
(i)	Interest income	2,055.97	2,341.27	2,593.32	9,011.86
(ii)	Fees and commission income	34.17	35.61	42.10	93.94
(i ii)	Sale of foreign currency	15,606.04	10,606.74	-	26,269.34
(iv)	Net gain on fair value changes	32.41	26.64	8.68	83.79
(I)	Total revenue from operations	17,728.59	13,010.26	2,644.10	35,458.93
(II)	Other income	0.13	0.58	3.02	0.71
(III)	Total Income (I+II)	17,728.72	13,010.84	2,647.12	35,459.64
	Expenses				
(i)	Finance costs	657.45	475.79	346.46	1,899.62
(ii)	Purchases of Stock-in-trade	15,491.00	10,560.56	-	26,110.13
(iii)	Changes in inventories of Stock-in-trade	12.18	(9.85)	-	-
(ii)	Employee benefits expense	931.93	663.05	418.33	2,768.24
(iv)	Depreciation & amortisation	242.99	237.80	192.13	932.37
(v)	Impairment of financial instruments (Refer Note 11)	(172.09)	18.42	961.50	(101.53)
(vi)	Other expenses	331.67	317.50	230.89	924.88
(IV)	Total Expenses	17,495.13	12,263.27	2,149.31	32,533.71
(V)	Profit before tax (III-IV)	233.59	747.57	497.81	2,925.93
(VI)	Tax Expenses				
(1) Current tax		134.09	118.13	382.81	759.30
(2) Deferred tax		65.46	68.04	(243.64)	121.04
(VII)	Profit for the period/year (V-VI)	34.04	561.40	358.64	2,045.59
	Other Comprehensive Income				
(i)	Items that will not be reclassified to profit or loss	26.75	-	9.46	26.75
(ii)	Income Tax relating to items that will not be reclassified to profit or loss	(6.73)	-	(2.38)	(6.73)
(VIII)	Other Comprehensive Income	20.02	-	7.08	20.02
(IX)	Total comprehensive income (VII+VIII)	54.06	561.40	365.72	2,065.60
(X)	Paid up Equity Share Capital (Face value of Rs 10/- each)	7,773.43	7,773.43	7,773.43	7,773.43
(XI)	Reserves excluding Revaluation Reserve as per Balance Sheet			48,138.16	46,184.35
(XII)	Earnings per share*:				
(a)	Basic (Rs.)	0.04	0.72	0.46	2.63
(b)	Diluted (Rs.)	0.04	0.71	0.46	2.60
(c)	Face value per equity share (Rs)	10.00	10.00	10.00	10.00

*Earning per share for Quarter is not annualised

Notes :-

1) Statement of Assets and Liabilities as at March 31, 2021

S.No.	Particulars	As at March 31, 2021 Audited	As at March 31, 2020 Audited
		(Rs. In lakhs)	(Rs. In lakhs)
	ASSETS		
1	Financial Assets		
(a)	Cash & cash equivalents	5,364.14	3,259.29
(b)	Bank balances other than Cash & cash equivalents	1,163.29	1.53
(c)	Receivables		
- Other Receivables		21.29	19.23
(d)	Loans	54,838.29	49,409.06
(e)	Investments	15,150.51	11,150.51
(f)	Other financial assets	362.87	262.45
2	Non-financial Assets		
(a)	Current tax asset (net)	491.48	163.46
(b)	Deferred tax asset (net)	503.04	630.81
(c)	Property, plant and equipment	995.60	1,079.72
(d)	Other intangible assets	175.08	172.30
(e)	Capital work in progress	16,857	42.16
(f)	Right of use assets	1,505.07	769.80
(g)	Other non-financial assets	417.23	266.33
	TOTAL ASSETS	81,156.46	67,226.65
	LIABILITIES AND EQUITY		
	LIABILITIES		
1	Financial Liabilities		
(a)	Payables		
- Trade Payables		-	0.16
total outstanding dues of micro enterprises and small enterprises		122.36	74.87
total outstanding dues of creditors other than micro enterprises and small enterprises		11,500.00	4,000.00
(b)	Debt Securities	10,444.94	7,561.13
(c)	Borrowings	2,603.35	1,083.59
(d)	Other financial liabilities		
2	Non-Financial Liabilities		
(a)	Current tax liabilities (net)	-	383.34
(b)	Provisions	507.90	103.21
(c)	Other non-financial liabilities	66.32	62.57
	EQUITY		
(a)	Equity share capital	7,773.43	7,773.43
(b)	Other equity	48,138.16	46,184.35
	TOTAL - LIABILITIES AND EQUITY	81,156.46	67,226.65



2) Cash Flow Statement for the year ended March 31, 2021

S.No.	Particulars	(Rs. In lakhs)	
		As at March 31, 2021 Audited	As at March 31, 2020 Audited
1	Cash From Operating Activities:		
	Net profit before tax	2,925.93	4,124.39
	Non-cash/ separately considered income/expenditure	1,323.74	2,072.66
	Other Adjustments	(6,293.37)	3,684.16
	Net Cash generated from/ (used in) operating activities (A)	(2,043.70)	9,881.21
2	Net Cash (used in) investing activities (B)	(5,624.82)	(6,656.11)
3	Net cash (used in)/ generated from financing activities (C)	9,773.37	(2,458.39)
4	Net increase in cash and cash equivalents (A+B+C)	2,104.85	766.71
5	Cash and cash equivalents as at the beginning of the year	2,352.29	2,492.58
6	Cash and cash equivalents as at the end of the year	8,364.14	3,259.29

- 3) These Standalone Financial Results have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013 ("the Act") read with relevant rules issued thereunder and the other accounting principles generally accepted in India.
- 4) The results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 26, 2021.
- 5) The results for the year ended 31 March 2021 were audited by the Statutory Auditors of the Company.
- 6) The Board of Directors have recommended, subject to approval of shareholders, dividend of Re. 0.10 per share (15%) for FY 2021.
- 7) Segment information in accordance with the Ind AS - 108 Operating segments of the company is as under.

Sr. No.	Particulars	Quarter Ended			Year ended	
		March 31, 2021 Refer Note 14	December 31, 2020 Unaudited	March 31, 2020 Refer Note 14	March 31, 2021 (Audited)	March 31, 2020 (Audited)
1	Segment Revenue					
	Lending business	2,093.65	2,383.71	2,647.12	9,128.72	10,524.04
	Forex business	15,635.07	10,627.13	-	26,330.92	-
	Total Segment Revenue	17,728.72	13,010.84	2,647.12	35,459.64	10,524.04
2	Segment Results (Profit before Tax)					
	Lending business	500.72	938.21	497.81	3,735.29	4,124.39
	Forex business	(267.13)	(190.64)	-	(809.36)	-
	Total Segment Results	233.59	747.57	497.81	2,925.93	4,124.39
3	Segment Assets					
	Lending business	78,246.87	79,752.07	67,226.65	78,246.87	67,226.65
	Forex business	1,915.08	1,911.24	-	1,915.08	-
	Unallocated	994.51	825.62	-	994.51	-
	Total Segment Assets	81,156.46	82,488.93	67,226.65	81,156.46	67,226.65
4	Segment Liabilities					
	Lending business	24,667.31	26,028.87	13,268.87	24,667.31	13,268.87
	Forex business	577.58	465.95	-	577.58	-
	Unallocated	-	83.98	-	-	-
	Total Segment Liabilities	25,244.89	26,578.80	13,268.87	25,244.89	13,268.87

- 8) The Company has invested Rs. 4,000 lakhs in equity shares of its subsidiary Capital India Home Loans Limited ("CIHL") during the year ended March 31, 2021.
- 9) The Board of Directors of Ropify Fintech Private Limited (RFPL) ("the Company/the Transferee Company") being our subsidiary in their meeting held on January 27, 2020, approved the Scheme of Amalgamation between the Company and Ropify Fintech Holding Private Limited (RFHPL) ("the Transferor Company") and their respective Shareholders and Creditors ("the Scheme") under section 230 to 232 of Companies Act, 2013 and other applicable provisions of the Companies Act 2013 for Amalgamation of the businesses from the Transferor Company, inter alia, consisting of entire undertaking, business, activities and operations pertaining to the business and its transfer as a going concern to the Transferee Company as per Ind AS 103. In terms of the Scheme the amalgamation has been accounted for in accordance with the Pooling of Interest Method laid down in Appendix C of Ind AS 103 "Business Combinations of entities under common control". The Transferee Company has issued and allotted to each of the shareholders of the Transferor Company, 9446 equity shares of face value of Rs. 10/- each, of the Transferee Company for every 10,000 equity shares of face value of Rs. 10/- each held by the shareholder of the Transferor Company pursuant to this Scheme. Hence, on March 31, 2021, 88,46,273 equity shares have been issued to Capital India Finance Limited (CIFL) the shareholders of RFHPL at face value of Rs. 10 each.
- 10) During the year ended March 31, 2021, the Nomination and Remuneration Committee of the Board of Directors, granted 50,000 stock options representing equal number of equity shares of face value of Rs. 10 each in the Company to the eligible employees under the CIFL Employee Stock Option Plan 2018.
- 11) The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Subsequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. Given the uncertainty over the potential macro-economic impact and external regulatory developments, the Management has considered internal and external information up to the date of approval of these financial results, and has estimated overlays and made certain judgements in accordance with the policy of the Company for the purpose of determination of the provision for impairment of financial assets carried at amortised cost and in relation to revenue recognition.
- The impairment provision as on March 31, 2021 aggregates Rs. 1,632.18 lakh (as on March 31, 2020 - Rs. 1,733.71 lakh) which includes potential impact on account of the pandemic of Rs. 1,012.20 lakh (as on March 31, 2020 - Rs. 1,355.09 lakh). Based on the current indicators of future economic conditions, the Company considers these provisions to be adequate.
- The extent to which the pandemic including the current "second wave" that has significantly increased the number of cases in India, will continue to impact the results of the Company will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition the impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future period.
- 12) In line with the judgment pronounced by the Hon'ble Supreme Court of India in the matter of Small Scale Industrial Manufacturers Association v/s. UOI & Others and other connected matters on March 23, 2021, the Reserve Bank of India (RBI) vide their Circular no. RBI/2021-22/17 DOR.SI.LREC.4/21 04.04/2021-22 dated April 7, 2021 has mandated all lending institutions to put in place a Board-approved policy to refund/adjust the interest on interest charged to the borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020 in conformity with the above judgement. In order to ensure that the above judgement is implemented uniformly in letter and spirit by all lending institutions, the RBI also suggested that the methodology for calculation of the amount to be refunded/adjusted for different facilities shall be as finalised by the Indian Banks Association (IBA) in consultation with other industry participants/bodies which shall be adopted by all lending institutions. The IBA Managing Committee at their meeting held on March 25, 2021 and April 16, 2021 has clarified that interest on interest/penal interest/compound interest, if charged during the moratorium on borrowing accounts, should be refunded or adjusted in the next instalment of the loan account. Accordingly, Company will refund/adjust Rs.209.92 Lakhs from the subsequent installments.
- 13) The Code on Wages, 2019 and Code Social Security, 2020 ("the Codes") relating to employees compensation and post-employment benefits that received Presidential assent have not been notified. Further, the related rules for quantifying the financial impact have not been notified. The Company will assess the impact of the Codes when the rules are notified and will record any related impact in the period the Codes become effective.
- 14) The figures of the quarters ended 31st March are the balancing figures between the audited figures in respect of the full financial year and published year to date figures up to the third quarter of the relevant financial year which were subject to limited review by the Statutory Auditors of the Company.
- 15) Previous period/year figures have been regrouped/reclassified to make them comparable with those of current period/year.

By order of the Board
Capital India Finance Limited

Keshav Jorwal
Managing Director
DIN : 06706341

Place: Mumbai
Date: May 26, 2020

