

Thursday November 11, 2021

Ref. No.: CIFL/BSE/2021-22/47

To,
The Manager – Listing,
BSE Limited,
25th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Sub.: Outcome of the meeting of the Board of Directors ("Board") of Capital India Finance Limited ("Company")

Dear Sir/ Madam,

In compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("**PIT Regulations**"), we would like to inform that the Board, in its meeting held on November 11, 2021 through video conferencing, *inter alia*:

- a) approved and took on record the un-audited standalone and consolidated financial results of the Company, for the quarter and half year ended on September 30, 2021, statement of cash flow for the half year ended on September 30, 2021 and statement of asset and liabilities as on September 30, 2021 ("**Financial Statements**"), along with limited review report issued by Singhi & Co. Chartered Accountants, Statutory Auditors of the Company ("**Limited Review Report**").

The copy of Financial Results and Limited Review Report is enclosed herewith as **Annexure-A**.

- b) approved and adopted the revised 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' and the 'Prohibition of Insider Trading Code' (hereinafter referred to as the "**Codes**") under Regulation 8 of the PIT Regulations which shall be effective from November 11, 2021.

A copy of the Codes is enclosed herewith as **Annexure – B**. The same shall also be made available on the Company's website at www.capitalindia.com.

- c) noted the resignation of Deloitte Haskins & Sells LLP, Chartered Accountants ("**Deloitte**"), as the Statutory Auditors of Rapipay Fintech Private Limited, its material subsidiary ("**Material Subsidiary**").

The details required in compliance with circular no. CIR/CFD/CMD/4/2015 dated September 9, 2015, and circular no. CIR/CFD/CMD1/114/2019 dated October 18, 2019 issued by Securities and Exchange Board of India ("**SEBI**") are as follows:

S. No.	Particulars	Information
1	Reason for change viz. appointment, resignation, removal, death or otherwise	Reason for resignation given by Deloitte is specified below: As per the recent circular issued by Reserve Bank of India ("RBI"), Circular No. RBI/2021-22/25 Ref. No. DoS. CO. ARG/ SEC. 01/08. 91.001/2021-22 dated April 27, 2021 ("the Circular"), which states that "The time gap between any non-audit works (services mentioned at Section 144 of Companies Act,

Corporate office :
Level - 20, Birla Aurora,
Dr. Annie Besant Road,
Worli, Mumbai,
Maharashtra- 400030

P : +91 22 45036000
E : info@capitalindia.com
CIN No: L74899DL1994PLC128577
(Capital India Finance Limited)

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

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



		<p>2013, Internal assignments, special assignments, etc.) by the SCAs/SAs for the Entities or any audit/non-audit works for its group entities should be at least one year, before or after its appointment as SCAs/SAs". Further as per FAQ 1 ("the FAQ"); "The Group entities refer to the RBI Regulated entities in the Group, which fulfil the definition of Group entity as provided in the Circular".</p> <p>The Company and its Parent entity Capital India Finance Limited are both RBI Regulated entities as per the requirements of the Circular and the FAQ. Accordingly, since we were the statutory auditors up to FY 2021 of the Parent entity, we would be ineligible to continue as statutory auditors of the Company.</p>
2	Date of appointment/cessation (as applicable) & term of appointment	November 10, 2021
3	Brief profile (in case of appointment)	Not Applicable
4	Comments of Audit Committee of the Company	The Audit Committee in its meeting held on November 11, 2021 noted that the resignation of Deloitte from its Material Subsidiary is due to ineligibility caused pursuant to RBI circular no. RBI/2021- 22/25 Ref. No. DoS. CO.ARG/ SEC.01/08.91.001/2021-22 dated April 27, 2021 and explanations/FAQs issued thereunder. Therefore, the Company uphold the compliances of the various laws as applicable to it with utmost caution & sincerity and accordingly, the resignation of Deloitte is noted by the Audit Committee in the best interest of its Material Subsidiary.
5	Compliance with circular no. CIR/CFD/CMD1/114/2019 dated October 18, 2019 issued by SEBI	Information as required to be submitted by the Auditors of Material Subsidiary in terms of SEBI Circular CIR/CFD/CMD1/114/2019 dated October 18, 2019 is annexed herewith as " Annexure-C ".

The Board meeting commenced at 01:30 P.M. and concluded at 03:05 P.M.

Kindly take the above information on your record and oblige.

Thanking you,
Yours sincerely,

For **Capital India Finance Limited**

Rachit Malhotra

Company Secretary & Compliance Officer

Membership No.: A39894

Encl: As above

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W : www.capitalindia.com



Singhi & Co.

Chartered Accountants

B2 – 402B, Marathon Innova, 4th Floor, Off Ganpatrao Kadam Marg, Opp. Peninsula Corporate Park, Lower Parel, Mumbai – 400013. India

Tel: +91 (0) 22 – 6662 5537/38 E-mail : mumbai@singhico.com Website : www.singhico.com

Independent Auditor’s Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company pursuant to Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to The Board of Directors
Capital India Finance Limited**

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Capital India Finance Limited** (“the Company”) for the quarter ended September 30, 2021 and year to date results from April 1, 2021 to September 30, 2021 (the “Statement”), being submitted by the Company pursuant to the requirement of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations”).
2. This Statement which is the responsibility of the Company’s Management and approved by the Company’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable India Accounting Standards (‘IND AS’) prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued there under and other recognized accounting practices and policies 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 mis-statement.

Emphasis of Matter

5. We draw attention to Note 8 to the Standalone Financial Results in which the Company describes the uncertainties arising from the COVID 19 pandemic.
6. We draw attention to Note 10 to the Standalone Financial Results in which the Company describes the change in reporting of revenue on foreign exchange business and its restatement in previous reporting periods.

Our conclusion on the Statement is not modified in respect of these matters.

KOLKATTA (HO)

NEW DELHI

CHENNAI

MUMBAI

BANGALORE

Other Matters

7. The comparative financial results of the Company as stated in statement for the quarter ended June 30, 2021, quarter/half year ended September 30, 2020 were reviewed and for the year ended March 31, 2021 were audited by the predecessor auditor who expressed an unmodified conclusion / opinion on those financial results on August 13, 2021, November 11, 2020 and May 26, 2021 respectively.
8. Attention is drawn to the fact that the figures of the Cash Flow Statement for the corresponding half year April 1, 2020 to September 30, 2020 as reported in the statement have been approved by the Company's Board of Directors, but have not been subjected to review by us or predecessor auditor since the requirement of submission of Cash Flow Statement has been mandatory with effect from April 1, 2021.

Our conclusion on the Statement is not modified in respect of these matters.

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

MILIND AGAL Digitally signed
by MILIND AGAL
Date: 2021.11.11
14:47:15 +05'30'

Milind Agal
Partner

Membership No. 123314
UDIN: 21123314AAAACJ3765

Place: Mumbai
Date: November 11, 2021

(Rs. In lakhs)

Statement of Standalone Unaudited Financial Results for the quarter and half year ended September 30, 2021

S.No.	Particulars	Quarter Ended			Half Year ended		Year Ended
		September 30, 2021 Unaudited	June 30, 2021 Unaudited	September 30, 2020 Unaudited	September 30, 2021 Unaudited	September 30, 2020 Unaudited	March 31, 2021 Audited
	Revenue from operation						
(i)	Interest income	2,674.72	2,544.57	2,353.90	5,219.29	4,614.61	9,011.86
(ii)	Fees and commission income	92.80	29.64	24.15	122.44	24.15	93.94
(iii)	Foreign exchange services (Refer Note 10)	350.49	141.99	0.32	492.48	0.32	159.21
(iv)	Net gain on fair value changes	19.29	12.98	22.37	32.27	24.75	83.79
(I)	Total revenue from operations	3,137.30	2,729.18	2,400.74	5,866.48	4,663.83	9,348.80
(II)	Other income	(0.12)	0.14	-	0.02	-	0.71
(III)	Total Income (I+II)	3,137.18	2,729.32	2,400.74	5,866.50	4,663.83	9,349.51
	Expenses						
(i)	Finance costs	944.91	666.57	448.78	1,611.48	766.37	1,899.62
(ii)	Employee benefits expense	903.30	898.98	552.58	1,802.28	1,173.26	2,768.24
(iii)	Depreciation & amortisation	312.26	261.86	230.13	574.12	451.59	932.37
(iv)	Impairment of financial instruments (Refer Note 8)	(172.60)	105.58	(57.41)	(67.02)	52.14	(101.53)
(v)	Other expenses	665.60	338.50	151.24	1,004.10	275.69	924.88
(IV)	Total Expenses	2,653.47	2,271.49	1,325.32	4,924.96	2,719.05	6,423.58
(V)	Profit before tax (III-IV)	483.71	457.83	1,075.42	941.54	1,944.78	2,925.93
(VI)	Tax Expenses						
(1)	Current tax	131.58	156.58	274.51	288.16	507.09	759.30
(2)	Deferred tax	(15.30)	(48.03)	1.27	(63.33)	(12.46)	121.04
(VII)	Profit for the period/year (V-VI)	367.43	349.28	799.64	716.71	1,450.15	2,045.59
	Other Comprehensive Income						
(i)	Items that will not be reclassified to profit or loss	-	-	-	-	-	26.75
(ii)	Income Tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	(6.73)
(VIII)	Other Comprehensive Income	-	-	-	-	-	20.02
(IX)	Total comprehensive income (VII+VIII)	367.43	349.28	799.64	716.71	1,450.15	2,065.61
(X)	Paid up Equity Share Capital (Face value of Rs 10/- each)	7,773.43	7,773.43	7,773.43	7,773.43	7,773.43	7,773.43
(XI)	Reserves excluding Revaluation Reserve as per Balance Sheet						48,138.16
(XII)	Earnings per share*:						
(a)	Basic (Rs.)	0.47	0.45	1.03	0.92	1.87	2.63
(b)	Diluted (Rs.)	0.47	0.45	1.02	0.91	1.84	2.60
(c)	Face value per equity share (Rs)	10.00	10.00	10.00	10.00	10.00	10.00

*Earning per share for Quarter and half year is not annualised

Notes :-

1) Statement of Assets and Liabilities as at September 30, 2021

(Rs. In lakhs)

S.No.	Particulars	As at September 30, 2021 Unaudited	As at March 31, 2021 Audited
	ASSETS		
1	Financial Assets		
(a)	Cash & cash equivalents	6,744.69	5,364.14
(b)	Bank balances other than Cash & cash equivalents	4,417.44	1,163.29
	- Other Receivables	120.50	21.29
(d)	Loans	62,828.82	54,838.29
(e)	Investments	16,750.51	15,150.51
(f)	Other financial assets	432.77	362.87
2	Non-financial Assets		
(a)	Current tax assets(net)	474.61	491.48
(b)	Deferred tax asset (net)	566.36	503.04
(c)	Property, plant and equipment	980.91	995.60
(d)	Other intangible assets	134.83	175.08
(e)	Capital work in progress	26.52	168.57
(f)	Right of use assets	2,154.91	1,505.07
(g)	Other non-financial assets	941.10	417.23
	TOTAL ASSETS	96,573.97	81,156.46
	LIABILITIES AND EQUITY		
	LIABILITIES		
1	Financial Liabilities		
(a)	Payables		
	- Trade Payables		
	total outstanding dues of micro enterprises and small enterprises	-	-
	total outstanding dues of creditors other than micro enterprises and small enterprises	301.14	122.36
(b)	Debt Securities	11,500.00	11,500.00
(c)	Borrowings	24,309.99	10,444.94
(d)	Other financial liabilities	3,050.08	2,603.35
2	Non-Financial Liabilities		
(a)	Provisions	409.75	507.90
(b)	Other non-financial liabilities	346.23	66.32
	EQUITY		
(a)	Equity share capital	7,773.43	7,773.43
(b)	Other equity	48,883.35	48,138.16
	TOTAL - LIABILITIES AND EQUITY	96,573.97	81,156.46

2) Cash Flows Statement for the period ended September 30, 2021

S.No.	Particulars	(Rs. In lakhs)	
		Half Year ended September 30, 2021 Unaudited	Half Year ended September 30, 2020 Unaudited
1	Cash From Operating Activities:		
	Net profit before tax	941.54	1,944.78
	Adjustments for:		
	Depreciation and amortisation expenses	574.12	451.59
	Provision for employee benefits	(98.15)	119.84
	Share based payments to employees	28.48	8.53
	Interest on Lease Liability	140.70	58.64
	Interest income on Lease rental deposits	(12.49)	(10.14)
	Impairment on financial instruments	(67.02)	52.14
	Loss on derecognition of property, plant and equipment	80.35	-
	Changes in:		
	(Increase) / Decrease in loans and advances	(7,923.52)	(2,463.43)
	(Increase) / Decrease in trade and other receivables	(99.21)	9.23
	(Increase) / Decrease in other financial assets	(1,386.95)	(842.39)
	(Increase) / Decrease in other non-financial assets	(523.86)	(196.45)
	Increase / (Decrease) in trade payables	178.78	19.36
	Increase / (Decrease) in other financial liabilities	855.17	594.62
	Increase / (Decrease) in other non-financial liabilities	279.91	(1.72)
	Cash generated from / (used in) operations	(7,032.15)	(255.40)
	Income taxes paid (net of refunds)	(271.29)	(649.60)
	Net Cash generated (used in) operating activities (A)	(7,303.44)	(905.00)
2	Cash From Investing Activities:		
	Purchase of property, plant and equipment and intangible assets	(97.17)	(213.67)
	Proceeds from sale of property, plant and equipment	0.49	8.50
	Investment in Subsidiary Company	(1,600.00)	(3,753.51)
	Proceeds from/(Investment in) term deposits with banks (net	(3,254.15)	(2,735.00)
	Net Cash (used in) investing activities (B)	(4,950.83)	(6,693.68)
3	Cash From Financing Activities:		
	Payment of Lease rent	(230.23)	(278.71)
	Proceeds from / (Repayment of) borrowings (net)	13,865.05	5,730.12
	Net cash generated from financing activities (C)	13,634.82	5,451.41
4	Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,380.55	(2,147.27)
5	Cash and cash equivalents as at the beginning of the year	5,364.14	3,259.29
6	Cash and cash equivalents as at the end of the year	6,744.69	1,112.02

Components of Cash and Cash Equivalents

Particulars	Half Year ended September 30, 2021 Unaudited	Half Year ended September 30, 2020 Unaudited
	Cash and Cash equivalents at the end of the period	
- Cash on hand	28.88	4.76
- Foreign Currencies	868.65	-
- balances with bank in current account	5,847.16	1,107.26
Total	6,744.69	1,112.02

- These standalone unaudited financial results have been prepared in accordance with the recognition and measurement principals laid down in Indian Accounting Standards 34 - Interim Financial Reporting ("Ind AS 34") prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principal generally accepted in India.
- The results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 11, 2021.
- The auditors have carried out Limited Review of the financial results for the quarter ended September 30, 2021, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements)
- Segment information in accordance with the Ind AS - 108 Operating segments of the company is as under.

Sr. No.	Particulars	Quarter Ended			Half Year ended		Year Ended
		September 30, 2021 Unaudited	June 30, 2021 Unaudited	September 30, 2020 Unaudited	September 30, 2021 Unaudited	September 30, 2020 Unaudited	March 31, 2021 Audited
1	Segment Revenue						
	Lending business	2,701.24	2,556.59	2,388.27	5,257.83	4,651.36	9,128.72
	Forex business	435.94	172.73	12.47	608.67	12.47	220.79
	Total Segment Revenue	3,137.18	2,729.32	2,400.74	5,866.50	4,663.83	9,349.51
2	Segment Results (Profit before Tax)						
	Lending business	631.66	706.20	1,250.57	1,337.86	2,296.36	3,735.29
	Forex business	(147.95)	(248.37)	(175.15)	(396.32)	(351.58)	(809.36)
	Total Segment Results	483.71	457.83	1,075.42	941.54	1,944.78	2,925.93
3	Segment Assets						
	Lending business	91,346.01	85,840.11	72,873.40	91,346.01	72,873.40	78,246.87
	Forex business	4,186.98	2,337.93	1,015.29	4,186.98	1,015.29	1,915.08
	Unallocated	1,040.98	1,043.19	791.69	1,040.98	791.69	994.51
	Total Segment Assets	96,573.97	89,221.23	74,680.38	96,573.97	74,680.38	81,156.46
4	Segment Liabilities						
	Lending business	39,167.05	32,376.60	18,661.16	39,167.05	18,661.16	24,667.31
	Forex business	750.14	571.53	454.69	750.14	454.69	577.58
	Unallocated	-	-	225.79	-	225.79	-
	Total Segment Liabilities	39,917.19	32,948.13	19,341.64	39,917.19	19,341.64	25,244.89

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 entity doesn't have any reportable geographical segment.

- 7) The company has invested Rs. 1500 lakhs & Rs. 100 lakhs in equity shares of its subsidiary Capital India Home Loan Limited ('CIHL') & CIFL Investment Advisor Private Limited ('CIMPL') during the period ended September 30, 2021.
- 8) 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. Consequent 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 September 30, 2021 aggregates Rs. 1,565.17 lakh (as on March 31, 2021 - Rs. 1,632.18 lakh) which includes potential impact on account of the pandemic of Rs. 968.14 lakh (as on March 31, 2021 - Rs. 1,012.20 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 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.
- 9) 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.
- 10) Till the previous quarter, the Company had presented the revenue from foreign exchange activity as "Sale of foreign currencies" and Purchase of foreign currencies for/from customers as "Cost of material consumed". Now based on further interpretation of Ind AS 115 "Revenue from Contracts with Customer" and based on business model of the Company to arrange foreign currency for customers, the Company has decided to reflect the margins earned on such transactions as revenue. Accordingly, figures for the previous reporting periods have been restated as under:

Particulars	Quarter ended June 30 (Unaudited)	Quarter ended September 30 (Unaudited)	Half Year ended September 30 (Unaudited)	Year ended March 31 (Audited)
Sale of Foreign Currency	14,779.99	56.56	56.56	26,269.34
Cost of materials consumed	14,638	56.24	56.24	26,110.13
Foreign exchange services	141.99	0.32	0.32	159.21
Impact on PAT	Nil	Nil	Nil	Nil
Impact on EPS- Basic & Diluted	Nil	Nil	Nil	Nil

- 11) 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 Digitally signed by
PORWAL KESHAV PORWAL
Date: 2021.11.11
15:15:32 +05'30'

Keshav Porwal
Managing Director
DIN : 06706341

Place: Mumbai
Date: November 11, 2021

Independent Auditor’s Review Report on Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company pursuant to Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to The Board of Directors
Capital India Finance Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Capital India Finance Limited** (“the Holding Company”), and its subsidiaries (the Holding Company and its Subsidiaries together referred to as “ the Group”) for the quarter ended September 30, 2021 and year to date results from April 1, 2021 to September 30, 2021 (the “Statement”) being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations”).
2. This Statement, which is the responsibility of the Holding Company’s Management and approved by the Holding Company’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under section 133 of the Companies Act 2013 as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular issued by Securities and Exchange Board of India under Regulation 33 (8) of the Listing Regulation, to the extent applicable

4. The Statement includes result of the following entities:

Holding Company:

- a. Capital India Finance Limited

Subsidiaries:

- b. Capital India Home Loans Limited
- c. Capital India Asset Management Private Limited
- d. Capital India Wealth Management Private Limited
- e. CIFL Holdings Private Limited
- f. CIFL Investment Advisor Private Limited
- g. Rapipay Fintech Private Limited
- h. Credenc Web Technologies Private Limited
- i. Credenc Finserv Private Limited

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 9 below, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the applicable India Accounting Standards ('IND AS') prescribed under section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other recognized accounting practices and policies 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 mis-statement.

Emphasis of Matter

6. We draw attention to Note 8 to the Consolidated Financial Results in which the Group describes the uncertainties arising from the COVID 19 pandemic.
7. We draw attention to Note 9 to the Consolidated Financial Results in which the Group describes the change in reporting of revenue on foreign exchange business and its restatement in previous reporting periods.

Our conclusion on the Statement is not modified in respect of these matters.

Other Matters

8. The consolidated unaudited financial results include the interim financial information of 7 subsidiaries which are unaudited and have been approved and furnished to us by the management, whose financial information reflects total assets of Rs 1123.32 lakhs as at September 30, 2021 total revenue of Rs 1.77 lakhs and Rs 1.77 lakhs for the quarter and half year ended September 30, 2021, respectively, total net loss after tax of Rs 202.15 lakhs and Rs 202.53 lakhs for the quarter and half year ended September 30, 2021 respectively and total comprehensive loss of Rs 202.15 lakhs and Rs 202.53 lakhs for the quarter and half year ended September 30, 2021, respectively and net cash inflow of Rs. 628.06 lakhs for the half year ended September 30, 2021, as considered in the Statement. According to the information and explanations given to us by the Management, these financial information are not material to the Group.
9. The consolidated unaudited financial results include the interim financial information of 2 subsidiaries which are reviewed by their auditors, whose financial information reflects total assets of Rs 40,571.51 lakhs as at September 30, 2021 total revenue of Rs 9,721.15 lakhs and Rs 17,696.38 lakhs for the quarter and half year ended September 30, 2021, respectively, total net loss after tax of Rs 704.74 lakhs and Rs 1,357.33 lakhs for the quarter and half year ended September 30, 2021 respectively and total comprehensive loss of Rs 710.01 lakhs and Rs 1,362.60 lakhs for the quarter and half year ended September 30, 2021, respectively and net cash outflow of Rs. 1,078.82 lakhs for the half year ended September 30, 2021, as considered in the Statement.
10. The comparative financial results of the Company as stated in statement for the quarter ended June 30, 2021, quarter/half year ended September 30, 2020 were reviewed and for the year ended March 31, 2021 were audited by the predecessor auditor who expressed an unmodified conclusion / opinion on those financial results on August 13, 2021, November 11, 2020 and May 26, 2021 respectively.

Singhi & Co.

Chartered Accountants

B2 – 402B, Marathon Innova, 4th Floor, Off Ganpatrao Kadam Marg, Opp. Peninsula Corporate Park, Lower Parel, Mumbai – 400013. India

Tel: +91 (0) 22 – 6662 5537/38 E-mail : mumbai@singhico.com Website : www.singhico.com

11. Attention is drawn to the fact that the figures of the Cash Flow Statement for the corresponding half year April 1, 2020 to September 30, 2020 as reported in the statement have been approved by the Company's Board of Directors, but have not been subjected to review by us or predecessor auditor since the requirement of submission of Cash Flow Statement has been mandatory with effect from April 1, 2021.

Our conclusion on the Statement is not modified in respect of above matters.

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

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by MILIND AGAL
Date: 2021.11.11
AGAL 14:57:02 +05'30'

Milind Agal
Partner

Membership No. 123314
UDIN: 21123314AAAACK8441

Place: Mumbai
Date: November 11, 2021

(Rs. in lakhs)

Statement of Consolidated Unaudited Financial Results for the quarter and Six months ended September 30, 2021

S.No.	Particulars	Quarter Ended			Six months Ended		Year ended
		September 30 2021 (Unaudited)	June 30 2021 (Unaudited)	September 30 2020 (Unaudited)	September 30 2021 (Unaudited)	September 30 2020 (Unaudited)	March 31 2021 (Audited)
	Revenue from operations						
(i)	Interest income	3,494.95	3,163.59	2,699.66	6,658.54	5,220.22	10,577.03
(ii)	Fees and commission income	5,742.70	4,306.96	449.71	10,049.66	642.29	12,910.09
(iii)	Foreign exchange services (Refer Note 9)	350.49	141.99	0.32	492.48	0.32	159.21
(iv)	Sale of devices	3,135.97	2,950.59	447.35	6,086.56	456.58	7,636.77
(v)	Net gain on fair value changes	23.16	19.36	28.73	42.52	38.61	128.12
(vi)	Other operating income	89.64	104.03	37.29	193.67	69.33	428.09
(I)	Total revenue from operations	12,836.91	10,686.52	3,663.06	23,523.43	6,427.35	31,839.31
(II)	Other income	4.28	0.14	6.50	4.42	15.23	1.21
(III)	Total Income (I+II)	12,841.19	10,686.66	3,669.56	23,527.85	6,442.58	31,840.52
	Expenses						
(i)	Finance costs	1,245.59	900.92	554.49	2,146.51	937.61	2,425.20
(ii)	Impairment of financial assets (Refer Note 8)	(162.60)	155.58	(30.41)	(7.02)	91.14	3.47
(iii)	Fees and commission expense	4,808.84	3,597.36	-	8,406.20	-	11,387.50
(iv)	Cost of materials consumed	49.49	21.65	267.16	71.14	274.71	735.81
(v)	Employee benefits expenses	2,234.01	1,837.05	1,090.90	4,071.06	2,166.41	5,539.56
(vi)	Depreciation and amortization	527.06	436.86	350.36	963.92	690.15	1,465.00
(vii)	Others expenses	4,366.59	3,767.03	429.22	8,133.62	663.37	8,808.54
(IV)	Total Expenses	13,068.98	10,716.45	2,661.72	23,785.43	4,823.39	30,365.08
(V)	(Loss)/profit before tax (III-IV)	(227.79)	(29.79)	1,007.84	(257.58)	1,619.19	1,475.44
(VI)	Tax expense :						
(1)	Current tax	131.57	156.58	274.51	288.15	507.09	759.30
(2)	Deferred tax	(1.90)	(64.68)	(18.11)	(66.58)	(46.08)	107.65
(VII)	(Loss)/profit for the year/period (V-VI)	(357.46)	(121.69)	751.44	(479.15)	1,158.18	608.49
	(Loss)/profit for the year/period attributable to:						
	Owners of the Company	53.86	133.00	743.57	186.86	1,211.75	960.35
	Non-controlling interest	(411.32)	(254.69)	7.87	(666.01)	(53.57)	(351.86)
	Other Comprehensive Income						
(i)	Items that will not be reclassified to profit or loss	(5.27)	-	-	(5.27)	-	36.61
(ii)	Income Tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	(9.21)
(VIII)	Other Comprehensive Income	(5.27)	-	-	(5.27)	-	27.40
(IX)	Total Comprehensive Income/(loss) (VII+VIII)	(362.73)	(121.69)	751.44	(484.42)	1,158.18	635.89
	Total comprehensive income/(loss) for the year/period attributable to:						
	Owners of the Company	305.62	133.00	743.57	183.93	1,211.75	987.80
	Non-controlling interest	(668.35)	(254.69)	7.87	(668.35)	(53.57)	(351.91)
(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	7,773.43
(XI)	Reserves excluding Revaluation reserve as per Balance Sheet						48,514.88
(XII)	Earnings per share:*						
(a)	Basic (Rs.)	0.07	0.17	0.96	0.24	1.56	1.24
(b)	Diluted (Rs.)	0.07	0.17	0.95	0.24	1.54	1.22
(c)	Face value per equity share (Rs)	10.00	10.00	10.00	10.00	10.00	10.00

*Earning per share for Quarter and half year is not annualised

Notes :-

1) Consolidated Statement of Assets and Liabilities as at September 30, 2021

S.No.	Particulars	(Rs. In lakhs)	
		As at September 30, 2021 Unaudited	As at March 31, 2021 Unaudited
	ASSETS		
1	Financial Assets		
(a)	Cash & cash equivalents	15,134.09	14,204.29
(b)	Bank balances other than Cash & cash equivalents	13,218.29	8,596.37
(c)	Receivables		
(i)	Trade Receivables	604.27	656.58
(ii)	Other Receivables	124.75	24.57
(d)	Loans	79,254.40	68,474.98
(e)	Other financial assets	1,464.30	4,231.16
2	Non-financial Assets		
(a)	Inventories	192.54	261.68
(b)	Current tax assets(net)	700.30	547.98
(c)	Deferred tax asset (net)	651.75	583.59
(d)	Property, plant and equipment	2,102.99	1,616.12
(e)	Capital work in progress	26.52	348.86
(f)	Goodwill	1,393.56	552.26
(g)	Other intangible assets	583.99	669.02
(h)	Intangible Assets Under Development	963.85	159.34
(i)	Right of use assets	3,311.69	2,803.83
(j)	Other non-financial assets	1,352.25	623.69
	TOTAL ASSETS	1,21,079.54	1,04,354.32

LIABILITIES AND EQUITY			
LIABILITIES			
1	Financial Liabilities		
(a)	Payables		
	- Trade Payables		
	total outstanding dues of micro enterprises and small enterprises	23.24	31.58
	total outstanding dues of creditors other than micro enterprises and small enterprises	480.73	313.73
	- Other Payables		
	total outstanding dues of micro enterprises and small enterprises	-	-
	total outstanding dues of creditors other than micro enterprises and small enterprises	167.76	68.29
(b)	Debt Securities	11,500.00	11,500.00
(c)	Borrowings	32,607.64	17,409.44
(d)	Other financial liabilities	14,488.30	13,789.23
2	Non-Financial Liabilities		
(a)	Current tax liabilities (net)	1.72	-
(b)	Provisions	649.80	803.71
(c)	Other non-financial liabilities	1,198.60	782.17
3	Equity		
(a)	Equity share capital	7,773.43	7,773.43
(b)	Other equity	48,852.26	48,514.88
(c)	Non-controlling interest	3,336.06	3,367.86
	TOTAL - LIABILITIES AND EQUITY	1,21,079.54	1,04,354.32

2) Consolidated Statement of Cash Flows for the Six months ended September 30, 2021

		(Rs. In Lakhs)	
S.No.	Particulars	Six months ended September 30, 2021 Unaudited	Six months ended September 30, 2020 Unaudited
1	Cash From Operating Activities:		
	Net profit / (loss) before tax	(257.58)	1,619.19
	Adjustments for:		
	Depreciation and amortisation expenses	963.92	690.15
	Provision for employee benefits	(153.92)	186.57
	Share based payments to employees	234.30	17.82
	Interest on Lease Liability	204.68	108.89
	Interest income on Lease rental deposits	(324.35)	(15.56)
	Impairment on financial instruments	(7.02)	91.14
	Loss on derecognition of property, plant and equipment	88.85	-
	Changes in:		
	(Increase)/ Decrease in loans and advances	(10,772.41)	(4,494.84)
	(Increase) / Decrease in trade and other receivables	(47.87)	(173.77)
	(Increase) / Decrease in other financial assets	3,000.38	(2,237.28)
	(Increase) / Decrease in other non-financial assets	(692.70)	(197.87)
	Increase / (Decrease) in trade payables	258.12	66.12
	Increase / (Decrease) in other financial liabilities	1,181.32	2,437.80
	Increase / (Decrease) in other non-financial liabilities	416.48	541.17
	Cash generated (used in) operations	(5,907.80)	(1,360.47)
	Other Adjustments	(445.61)	(623.62)
	Net Cash generated (used in) operating activities (A)	(6,353.41)	(1,984.09)
2	Cash From Investing Activities:		
	Purchase of property, plant and equipment and intangible assets	(3,322.29)	(300.88)
	Proceeds from sale of property, plant and equipment	0.49	-
	Redemption of/(Investment in) mutual funds (net)	-	(3,385.80)
	Proceeds from/(Investment in) term deposits with banks (net)	(4,461.96)	(5,585.76)
	Net Cash (used in) investing activities (B)	(7,783.76)	(9,272.44)
3	Cash From Financing Activities:		
	Proceeds from issue of equity shares	-	314.17
	Share issue expenses	-	4,301.02
	Payment of Lease rent	(686.93)	(432.12)
	Minority Interest	555.70	-
	Proceeds from / (Repayment of) borrowings (net)	15,198.20	9,493.05
	Net cash (used in)/ generated from financing activities (C)	15,066.97	13,676.12
4	Net increase in cash and cash equivalents (A+B+C)	929.80	2,419.59
5	Cash and cash equivalents as at the beginning of the period	14,204.29	6,797.62
6	Cash and cash equivalents as at the end of the period	15,134.09	9,217.21

Components of Cash and Cash Equivalents

		Six months ended September 30, 2021 Unaudited	Six months ended September 30, 2020 Unaudited
	Cash and Cash equivalents at the end of the period		
	- Cash on hand	29.44	4.82
	- Foreign Currencies	868.65	-
	- balances with bank in current account	13,794.69	8,395.08
	- balances with bank in deposit accounts	-	200.00
	- Escrow account	-	10.72
	- Balance with non schedule bank	441.31	606.59
	Total	15,134.09	9,217.21

- 3) These consolidated unaudited financial results have been prepared in accordance with the recognition and measurement principals laid down in Indian Accounting Standards 34 - Interim Financial Reporting ("Ind AS 34") prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principal 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 November 11, 2021.
- 5) The auditors have carried out Limited Review of the financial results for the quarter ended September 30, 2021, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements)
- 6) Consolidated Segment information in accordance with the Ind AS 108 – Operating Segments of the Group is as under:

Sr. No.	Particulars	Quarter Ended			Six months Ended		Year ended
		September 30 2021 (Unaudited)	June 30 2021 (Unaudited)	September 30 2020 (Unaudited)	September 30 2021 (Unaudited)	September 30 2020 (Unaudited)	March 31 2021 (Audited)
1	Segment Revenue						
	Lending business	3,456.65	3,139.80	2,729.91	6,596.45	5,253.13	10,645.67
	Prepaid Payment Instrument business	8,948.60	7,374.13	927.18	16,322.73	1,176.98	20,974.06
	Forex business	435.94	172.73	12.47	608.67	12.47	220.79
	Total Segment Revenue	12,841.19	10,686.66	3,669.56	23,527.85	6,442.58	31,840.52
2	Segment Results [Profit / (loss) before Tax]						
	Lending business	664.29	610.56	1,150.04	1,274.85	2,105.45	3,322.02
	Prepaid Payment Instrument business	(541.98)	(391.60)	33.24	(933.58)	(134.18)	(1,034.70)
	Forex business	(147.95)	(248.37)	(175.15)	(396.32)	(351.58)	(809.36)
	Others	(202.15)	(0.38)	(0.29)	(202.53)	(0.50)	(2.52)
	Total Segment Results	(227.79)	(29.79)	1,007.84	(257.58)	1,619.19	1,475.44
3	Segment Assets						
	Lending business	96,827.77	91,553.27	75,147.41	96,827.77	75,147.41	83,221.23
	Prepaid Payment Instrument business	17,591.00	17,246.06	11,943.81	17,591.00	11,943.81	18,081.85
	Forex business	4,186.98	2,337.93	1,015.29	4,186.98	1,015.29	1,915.08
	Unallocated	1,352.06	1,344.86	1,092.56	1,352.06	1,092.56	1,131.57
	Others	1,121.73	3.69	5.80	1,121.73	5.80	4.59
	Total Segment Assets	1,21,079.54	1,12,485.81	89,204.87	1,21,079.54	89,204.87	1,04,354.32
4	Segment Liabilities						
	Lending business	48,674.39	41,433.53	24,489.65	48,674.39	24,489.65	32,886.41
	Prepaid Payment Instrument business	11,627.94	10,838.91	5,657.36	11,627.94	5,657.36	11,232.68
	Forex business	750.14	571.53	454.69	750.14	454.69	577.58
	Unallocated	-	-	225.79	-	225.79	-
	Others	65.32	0.94	2.10	65.32	2.10	1.47
	Total Segment Liabilities	61,117.79	52,844.91	30,829.59	61,117.79	30,829.59	44,698.14

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.

- 7) The company has invested Rs. 1500 lakhs & Rs. 100 lakhs in equity shares of its subsidiary Capital India Home Loan Limited ('CIHL') & CIFL Investment Advisor Private Limited ('CIMPL') during the period ended September 30, 2021. Our subsidiary Capital India Home Loan Limited holds 52.94% stake in Credenc Web Technologies Private Limited. The company has invested in equity shares of Rs 1.57 lakhs for Rs. 1,454.01 lakhs. Consequent to the acquisition, Credenc Web Technologies Private Limited and its wholly-owned subsidiary, Credenc Finserv Private Limited, have become subsidiaries of Capital India Finance Limited with effect from August 19, 2021. The management has opted for the measurement period exemption and has carried out the provisional Purchase Price Allocation which has resulted into a goodwill of Rs. 841.30 lacs.
- 8) 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. Consequent 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 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 September 30, 2021 aggregates Rs. 1,769.17 lakh (as on March 31, 2021 - Rs. 1,776.18 lakh) which includes potential impact on account of the pandemic of Rs. 1068.14 lakh (as on March 31, 2021 - Rs. 1,072.20 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.
- 9) Till the previous quarter, the Company had presented the revenue from foreign exchange activity as "Sale of foreign currencies" and Purchase of foreign currencies for/from customers as "Cost of material consumed". Now based on further interpretation of Ind AS 115 "Revenue from Contracts with Customer" and based on business model of the Company to arrange foreign currency for customers, the Company has decided to reflect the margins earned on such transactions as revenue. Accordingly, figures for the previous reporting periods have been restated as under:

Particulars	Quarter ended June 30 2021 (Unaudited)	Quarter ended September 30 2020 (Unaudited)	Six months ended September 30 2020 (Unaudited)	Year ended March 31 2021 (Audited)
	Sale of Foreign Currency	14,779.99	56.56	56.56
Cost of materials consumed	14,638	56.24	56.24	26,110.13
Foreign exchange services	141.99	0.32	0.32	159.21
Impact on PAT	Nil	Nil	Nil	Nil
Impact on EPS- Basic & Diluted	Nil	Nil	Nil	Nil

- 10) 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

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Date: 2021.11.11
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Keshav Porwal
Managing Director
DIN : 06706341

Place: Mumbai
Date: November 11, 2021



CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE
SENSITIVE INFORMATION

Version	5.0
Owned By	Legal
Approved By	Board of Directors
Effective date	November 11, 2021

1. Introduction

Capital India Finance Limited ("**Company**") had adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("**Code**") to *inter alia* formulate a framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for its securities in accordance with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("**Regulations**").

2. Objective

- a) To ensure timely and adequate disclosure of Unpublished Price Sensitive Information ("**UPSI**") and prevent misuse of such information;
- b) To ensure that all UPSI is handled on a need-to-know basis and to lay down the policy for determination of legitimate purposes; and
- c) To maintain uniformity and fairness in dealing with all stakeholders of the Company.

3. Definitions

Words and expressions used but not defined in this Code shall have the same meaning assigned to them in the Regulations or the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and the rules and regulations made thereunder, as the case may be or in any amendment thereto.

4. Chief Investor Relations Officer

The Company Secretary & Compliance Officer of the Company would be the 'Chief Investor Relations Officer' of the Company ("**CIRO**") for the purpose of this Code and the Regulations. In the absence of the Company Secretary & Compliance Officer of the Company, the Board of Directors may authorize any other officer of the Company to discharge the duties of CIRO under this Code and the Regulations.

CIRO will be responsible for:

- a) proper and timely dissemination of information in the ordinary course of the business of the Company and disclosure of each UPSI;
- b) determination of questions as to whether any particular information amounts to UPSI;
- c) determination of response, if any, of the Company to any market rumor in accordance with this Code;
- d) dealing with any query received by any Insider in relation to any UPSI; and
- e) providing advice to any Insider as to whether any particular information may be treated as UPSI.

5. Principles of Fair Disclosure

To adhere to the principles as mentioned in Schedule A to the Regulations, the Company shall:

- a) Promptly disclose publicly any UPSI that would impact price discovery no sooner than credible and concrete information comes into being so that such information is generally

available.

- b) Uniformly and universally disseminate UPSI, in a timely manner, to avoid selective disclosure by communicating the same to the stock exchange(s) and disclosing the same on its website before releasing such information to media or analysts.
- c) Ensure that the employees of the Company shall not respond under any circumstances to enquiries from the stock exchanges, the media or others unless authorised to do so by the CISO or any other officer as may be designated as CISO by the board of directors of the Company in this regard.
- d) Make a public announcement with respect to any matter only after the Company has taken a final or definitive decision. When there are rumors or news reports and the Company is queried by the regulatory authorities, the Company will provide an appropriate and fair response by accepting, denying or clarifying the same. The Company will not be required to make disclosures in cases where the proposal is still in progress, or there are impending negotiations or incomplete proposals, the disclosure of which will not be appropriate and could prejudice the Company's legitimate interests.
- e) Promptly disseminate UPSI to public through the stock exchanges in case such UPSI gets disclosed selectively, inadvertently or otherwise to a section of the market.
- f) All interactions with institutional shareholders, fund managers, analysts and research personnel should be based on generally available information that is accessible to the public on a non-discriminative basis and information shared with such persons should not include UPSI. The CISO shall develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on its website to ensure official confirmation and documentation of disclosures made.
- g) Handle all UPSI on a need-to-know basis by creating suitable safeguards to avoid UPSI becoming available to any person who is not required to have access to such information. UPSI may however be disclosed in accordance with the Regulations, to persons who need such information for furtherance of legitimate purposes as per the 'policy on determination of legitimate purposes' annexed herewith as **Annexure 1**, including performance of duties or discharge of legal obligations.

6. Protection Against Retaliation and Victimization

An employee who files a voluntary information disclosure form in terms of Chapter IIIA of the Regulations ("**Voluntary Information Disclosure Form**"), irrespective of whether the information is considered or rejected by SEBI and irrespective of whether the employee is eligible for a reward in terms of Chapter IIIA of the Regulations, shall not be discriminated, discharged, terminated, demoted, suspended, threatened or harassed, directly or indirectly, for any of the following reasons:

- a) filing a Voluntary Information Disclosure Form with SEBI;
- b) testifying in, participating in, or otherwise assisting or aiding SEBI in any investigation, inquiry, audit, examination or proceeding instituted or about to be instituted for an alleged violation of insider trading laws or in any manner aiding the enforcement action taken by SEBI; or
- c) breaching any confidentiality agreement or provisions of any terms and conditions of employment or engagement solely to prevent any employee from cooperating with SEBI,

in any manner.

Explanation: For the purpose of paragraph 6 of this Code, the term “**Employee**” shall mean any individual who during employment may become privy to information relating to violation of insider trading laws and files a Voluntary Information Disclosure Form under the Regulations and is a director, partner, regular or contractual employee, but does not include an advocate.

7. GENERAL PROVISIONS

- a) The board of directors of the Company, or the compliance officer of the Company or any person authorized by the board of directors of the Company in this regard, shall be responsible for maintaining a structured digital database (“**SDD**”), internally, in compliance with the Regulations, containing the nature of UPSI, the names of persons who have shared the information and the names the persons with whom the information is shared in compliance with the Regulations, along with their respective addresses, email, Permanent Account Number (PAN) (or any other identifier authorised by law, where PAN is not available) and such other documents as may be necessary. In this regard, adequate systems and controls shall be put in place to ensure non-tampering of the SDD and compliance with the Regulations towards sharing of UPSI. The board of directors of the Company, or the compliance officer of the Company or any person authorized by the board of directors of the Company in this regard, shall also be responsible for preserving the SDD for a period of not less than 8 (Eight) years after completion of the relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the SDD shall be preserved till the completion of such proceedings.
- b) This Code is subject to the applicable laws including but not limited to the Regulations and shall supersede the earlier version of the Code.
- c) The board of directors of the Company shall ensure that the chief executive officer or the managing director of the Company ensures that the provisions set out hereunder are complied with.
- d) The audit committee of the Company shall review compliance of this Code at least once in a financial year and verify whether the systems for internal control are adequate and are operating effectively.
- e) This Code is subject to review by the board of directors of the Company as and when deemed necessary. The board of directors of the Company may amend the Code from time to time depending upon the requirements of the provisions of the Regulations and other applicable laws.
- f) Notwithstanding anything contained in this Code, the Company shall ensure compliance with any additional requirements as may be prescribed under any laws / regulations either existing or arising out of any amendment to such laws / regulations or otherwise and applicable to the Company from time to time. Any change/amendment in applicable laws with regard to maintenance of code of practices and procedures for fair disclosure of unpublished price sensitive information shall be deemed to be incorporated in this Code by reference and this Code shall be deemed to have been amended and revised accordingly.

ANNEXURE 1 - POLICY FOR DETERMINATION OF 'LEGITIMATE PURPOSE'

1. In terms of the Regulations, the term "legitimate purpose" is clarified to include sharing of UPSI in the ordinary course of business by an insider with the Company's partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing of UPSI has not been carried out to evade or circumvent the prohibitions of the Regulations.
2. The Regulations require the board of directors of the Company to formulate a policy for determination of 'legitimate purpose', in line with the guidance provided in the Regulations. The assessment of whether sharing of UPSI in a particular instance would tantamount to 'legitimate purpose' would entirely depend on the specific facts and circumstances of each case. Accordingly, this policy only sets out the principles that should be considered while assessing if the purpose for which UPSI is proposed to be shared is "legitimate".
3. Primarily, the following factors should be considered for assessing whether the purpose for which UPSI is proposed to be shared is "legitimate":
 - a) whether sharing of such information is in the ordinary course of business of the Company;
 - b) whether information is sought to be shared to evade or circumvent the prohibitions of the Regulations;
 - c) whether sharing the information is in the best interests of the Company or in furtherance of a genuine commercial purpose;
 - d) whether the information is required to be shared for enabling the Company to discharge its legal obligations;
 - e) whether the nature of information being shared is commensurate to the purpose for which UPSI is sought to be disclosed.
4. It is clarified that in the event there exist multiple purposes for sharing UPSI, each purpose will be evaluated on its own merits, in line with the aforementioned principles.
5. The recipient of UPSI shall be informed of the following, by way of written intimation and/or contractual agreement, such as, confidentiality agreement or non – disclosure agreement, that:
 - a) the information being shared is UPSI and that the Company is the exclusive owner of such UPSI;
 - b) upon receipt of UPSI, the recipient would be deemed to be an Insider and subject to the provisions of the Regulations and the Code;
 - c) the recipient must always maintain confidentiality of the UPSI;
 - d) the recipient may use the UPSI only for the approved purposes for which it was disclosed;
 - e) the recipient should provide a written undertaking that he/she/it shall not trade in the securities of the Company while in possession of the UPSI; and
 - f) the recipient must extend all cooperation to the Company, as may be required in this

regard.

6. This policy is subject to review by the board of directors of the Company as and when deemed necessary. The board of directors of the Company may amend this policy from time to time depending upon the requirements of the provisions of the Regulations and other applicable laws.
7. Notwithstanding anything contained in this policy, the Company shall ensure compliance with any additional requirements as may be prescribed under any laws / regulations either existing or arising out of any amendment to such laws / regulations or otherwise and applicable to the Company from time to time. Any change/amendment in applicable laws with regard to determination of legitimate purposes shall be deemed to be incorporated in this policy by reference and this policy shall be deemed to have been amended and revised accordingly.



CAPITAL INDIA

Rediscover Business

PROHIBITION OF INSIDER TRADING CODE

Version	5.0
Owned By	Legal
Approved By	Board of Directors
Effective date	November 11, 2021

1. Introduction

Capital India Finance Limited ("**Company**") had adopted the Prohibition of Insider Trading Code ("**Code**") to *inter alia* formulate a code of conduct to regulate, monitor and report trading by its employees and other connected persons in accordance with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("**Regulations**").

2. Objective

- a) To preserve the confidentiality and prevent the misuse of un-published price sensitive information;
- b) To ensure transparency and fairness in dealing with all stakeholders.

3. Definitions

"**Act**" shall mean the Securities and Exchange Board of India Act, 1992 (15 of 1992).

"**Board of Directors**" shall mean the board of directors of the Company.

"**Companies Act**" shall mean (i) the Companies Act, 2013 (to the extent notified on the relevant date) and (ii) the Companies Act, 1956 (to the extent enforceable on the relevant date), and the rules made there under, as amended from time to time.

"**Compliance Officer**" shall mean the Company Secretary & Compliance Officer of the Company. In the absence of the Company Secretary & Compliance Officer of the Company, the Board of Directors may authorize any other officer of the Company in compliance with the Regulations, to discharge the duties of the Compliance Officer under this Code and the Regulations.

"**Connected Person**" shall mean:

- (i) any person who is or has during 6 (Six) months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with the officers of the Company or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the Company or holds any position, including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to UPSI or is reasonably expected to allow such access.
- (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established:
 - a) an immediate relative of connected persons specified in clause (i); or
 - b) a holding company or associate company or subsidiary company; or
 - c) an intermediary as specified in Section 12 of the Act or an employee or director thereof; or
 - d) an investment company, trustee company, asset management company or an employee or director thereof; or
 - e) an official of a stock exchange or of clearing house or corporation; or

- f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
- g) a member of the board of directors or an employee, of a public financial institution as defined in Section 2 (72) of the Companies Act; or
- h) an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
- i) a banker of the Company; or
- j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the Company, has more than 10% (Ten Percent) of the holding or interest.

“Designated Persons” shall include -

- (i) Promoters of the Company;
- (ii) Directors of the Company;
- (iii) Key Managerial Personnel of the Company;
- (iv) All employees who are two grades below the chief executive officer of the Company;
- (v) All employees in the Finance, Accounts, Risk, Internal Audit, Legal and Secretarial department of the Company;
- (vi) Other employees designated by the Compliance Officer from time to time;
- (vii) Any support staff of the Company such as IT staff or secretarial staff who have access to UPSI;
- (viii) Employees of material subsidiaries of the Company designated on the basis of their functional role or access to UPSI in the organization by their board of directors; and
- (ix) Immediate relative of the persons covered under clause (i) to (viii) above.

“Generally available information” shall mean information that is accessible to the public on a non-discriminatory basis.

“Immediate Relative” shall mean a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to Trading in Securities.

“Insider” shall mean any person who is:

- (i) a Connected Person; or
- (ii) in possession of or having access to UPSI.

“Key Managerial Personnel” or **“KMP”**, in relation to the Company, shall mean:

- (i) the chief executive officer or the managing director or the manager of the Company;
- (ii) the company secretary of the Company;
- (iii) the whole-time director of the Company;
- (iv) the chief financial officer of the Company;

(v) such other officer, not more than one level below the directors who is in whole-time employment of the Company and designated as key managerial personnel by the Board of Directors; and

(vi) such other officer of the Company as may be prescribed under the Companies Act.

“Legitimate Purpose” shall mean the legitimate purpose for sharing UPSI as determined in accordance with the requisite provisions of - Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and shall include sharing of UPSI for performance of duties.

“Promoter” shall have the meaning assigned to such term under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.

“Promoter Group” shall have the meaning assigned to such term under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.

“Securities” shall have the meaning assigned to such term under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund.

“Takeover Regulations” shall mean the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.

“Threshold limit” shall mean the value of the Securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregating to a traded value of Rs. 10,00,000/- (Rupees Ten Lakhs only) or such other value as may be specified by SEBI from time to time.

“Trading” shall mean and include subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any Securities, and **“Trade”** shall be construed accordingly.

“Trading day” shall mean a day on which the recognized stock exchanges are open for Trading.

“Unpublished Price Sensitive Information” or **“UPSI”** shall mean any information, relating to the Company or its Securities, directly or indirectly that is not generally available, which upon becoming generally available is likely to materially affect the price of the Securities of the Company and shall ordinarily including but not restricted to, information relating to the following:

- (i) financial results;
- (ii) dividends;
- (iii) change in capital structure;
- (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and
- (v) changes in the Key Managerial Personnel.

4. Interpretation

Words and expressions used but not defined in this Code shall have the same meaning assigned to them in the Regulations or the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and the rules and regulations made thereunder, as the case may be or in any amendment thereto.

5. Compliance Officer

- (i) The Compliance Officer shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of UPSI, monitoring of trades and the implementation of the Code under the overall supervision of the Board of Directors. The Compliance Officer shall provide annual reports to the Board of Directors, in particular, to the chairman of the audit committee constituted by the Board of Directors within a maximum period of 90 (Ninety) days from the end of each financial year.
- (ii) The Compliance Officer will also assist the Designated Persons in addressing any clarification regarding the Regulations and this Code.
- (iii) The Compliance Officer shall maintain a record of all the disclosures made by the Designated Persons under this Code for a minimum period of 5 (Five) years.

6. Communication, Procurement and Preservation of UPSI

- (i) All information shall be handled within the Company on a 'need-to-know' basis and no Insider shall communicate, provide or allow access to any UPSI, relating to the Company or its Securities listed or proposed to be listed by the Company, to any person including other Insiders except where such communication is required in furtherance of Legitimate Purposes.
- (ii) No person shall procure from or cause the communication by any Insider of UPSI, relating to the Company or its Securities listed or proposed to be listed by the Company, except where such communication is required for Legitimate Purposes.
- (iii) Any person in receipt of UPSI pursuant to a Legitimate Purpose shall be considered an "Insider" for the purpose of this Code and due notice shall be given to such persons to maintain confidentiality of UPSI in compliance with the Regulations.
- (iv) The following procedures are designed to maintain confidentiality of UPSI:
 - a) Designated Persons should take all steps and precautions necessary to restrict access to, and secure, UPSI by, among other things:
 - maintaining the confidentiality of UPSI;
 - conducting their business/ professions and personal/ social activities so as not to risk inadvertent disclosure of UPSI;
 - reviewing confidential documents in public places should be restricted so as to prevent access to UPSI by unauthorized persons;
 - b) Restricting access to documents and files (including computer files) containing UPSI to persons on a need-to-know basis (including maintaining control over the distribution of documents and drafts of documents);

- c) Files containing UPSI shall be kept secured with restricted access, and computer files containing UPSI should be protected with the help of login, passwords, etc. Appropriate physical and informational barriers shall be put in place to ensure confidentiality of UPSI;
- d) Promptly removing and cleaning up all confidential documents and other materials containing UPSI from conference rooms following the conclusion of any meetings;
- e) Disposing of all confidential documents and other papers containing UPSI, after there is no longer any business or other legally required need, through shredders when appropriate;
- f) Restricting access to areas likely to contain confidential documents or UPSI;
- g) Avoiding any discussion pertaining to UPSI in places where the information could be overheard by others, such as in elevators, restrooms, hallways, restaurants, airplanes or taxicabs, etc.; and
- h) Persons in possession of, or having access to UPSI, to the extent feasible, should conduct their business and other activities in areas separate from other Company activities, so as to avoid any leak of UPSI.

(v) **Chinese Walls Procedures**

- a) In terms of the Code, Designated Persons are considered as persons having access or expected to have access to UPSI.
- b) To prevent the misuse of UPSI, the Company will maintain “Chinese Walls” and segregate the premises into inside areas and public areas. Inside areas refer to those areas and departments of the Company in which UPSI may ordinarily be available. Public areas refer to those areas where any UPSI would ordinarily not be available, and to which any outside person may be allowed access.
- c) Inside areas shall be accessible in normal course only to Designated Persons. Designated Persons in the inside area shall not communicate any UPSI to anyone in public area. In exceptional circumstances employees from the public areas may be brought “over the wall” and given confidential information on the basis of “need to know” criteria, under intimation to the Compliance Officer.
- d) Wherever there is a requirement of sharing UPSI by any Designated Person with another employee/external third parties, etc., in furtherance of Legitimate Purposes, the person to whom such information is proposed to be shared, shall be “wall-crossed” through wall-crossing procedure set out below.

Procedure for wall crossing

- e) In the event any person is required to be wall – crossed, i.e., brought over the Chinese Wall in order to obtain access to the UPSI for a specific purpose, prior approval of the Compliance Officer must be sought. The Compliance Officer shall consider whether the person being wall – crossed, is being provided UPSI on a need – to – know basis.

Further, UPSI shared with such wall – crosser should be limited to the specific transaction or purpose for which such person’s assistance is required.

- f) Persons who are wall – crossed / receive UPSI should be notified that they would be deemed to be ‘Designated Person’ and ‘Insider’ under this Code and that consequently, such persons will be required to comply with all applicable provisions of the Code and the Regulations, till such information remains UPSI.
- g) Appropriate records of all wall crossings will be maintained. Further, the Compliance Officer will be informed of all instances wherein a person has been wall-crossed (at the time of such wall – crossing), in accordance with the procedure set out above, so as to enable the Compliance Officer to maintain appropriate records in this regard.

7. Internal Control System

There shall be adequate and effective system of internal controls to ensure compliance with the requirements given in this Code and the Regulations to prevent insider trading. The internal controls shall include:

- (i) Identifying persons who have access to, or are expected to have access to UPSI as the Designated Persons;
- (ii) Identifying UPSI and maintaining its confidentiality as required under applicable laws;
- (iii) Putting in place adequate restrictions on communication, or procurement of UPSI;
- (iv) Maintaining a list of all persons with whom UPSI is shared and making them aware of their confidentiality and other obligations under the Code along with the liability that attaches to misuse or unwarranted use of such information;
- (v) Periodically review the processes and internal controls implemented to evaluate their effectiveness.

8. Trading when in possession of UPSI

- (i) Except as permitted under the Regulations, no Insider shall either on his own behalf or on behalf of any other person, Trade in the Securities of the Company that are listed or proposed to be listed on any stock exchange when in possession of any UPSI.
- (ii) When a person who has traded in securities has been in possession of UPSI, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.
- (iii) In case of the Connected Persons, the onus of establishing that they were not in possession of UPSI shall be on the Connected Person and in other cases, the onus shall be on the SEBI.

9. Trading Plans

- (i) An Insider shall be entitled to formulate a Trading plan and present it to the Compliance Officer for approval and public disclosure, pursuant to which Trade may be carried out on behalf of such Insider in accordance with the approved plan.
- (ii) Such Trading plan shall: -
 - a) not entail commencement of Trading on behalf of the Insider earlier than 6 (Six) months from the public disclosure of the Trading plan;
 - b) not entail Trading for the period between the 20th (Twentieth) Trading day prior to the last day of any financial period for which results are required to be announced and the 2nd (Second) Trading day after the disclosure of such financial results;
 - c) entail Trading for a period of not less than 12 (Twelve) months;
 - d) not entail overlap of any period for which another Trading plan is already in existence;
 - e) set out either the value of Trade to be effected or the number of the Securities to be traded along with the nature of the Trade and the intervals at, or dates on which such Trade shall be effected; and
 - f) not entail Trading in the Securities for market abuse.
- (iii) The Compliance Officer shall review the Trading plan to assess whether the Trading plan would have any potential for violation of this Code and/or the Regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

Provided that: a) the pre-clearance of the Trades shall not be required for a Trade executed as per an approved Trading plan; and b) the Trading window norms and restrictions on contra trade shall not be applicable for Trades carried out in accordance with an approved Trading plan,
- (iv) The Trading plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the Trading plan, without being entitled to either deviate from it or to execute any Trade in the Securities outside the scope of the Trading plan.

Provided that the implementation of the Trading plan shall not be commenced if any UPSI in possession of the Insider at the time of formulation of the Trading plan has not become Generally available information at the time of the commencement of implementation and in such event the Compliance Officer shall confirm that the commencement ought to be deferred until such UPSI becomes Generally available information.
- (v) The Compliance Officer shall notify the approved Trading plan to the stock exchanges on which the Securities of the Company are listed or are proposed to be listed.

10. Trading Window

- (i) The Designated Persons shall be entitled to execute Trades, subject to compliance with the Regulations. Notional Trading window shall be used as an instrument of monitoring the Trading by the Designated Persons.
- (ii) The Trading window shall be closed as and when the Compliance Officer determines that any Designated Person or class of Designated Persons can reasonably be expected to have possession of UPSI. Such closure of the Trading window shall be imposed in relation to such Securities to which such UPSI relates. The Trading window shall *inter-alia*, remain closed from (a) the date of intimation of the proposed date of meeting of the Board of Directors or its committee to the stock exchanges; or (b) the actual date of the meeting of the Board of Directors or its committee, whichever is earlier, until 48 (Forty Eight) hours after the decision is made generally available to the market, wherein, decision is required to be taken on the following matters:
 - a) declaration or publication of the annual /half yearly /quarterly financial results;
 - b) declaration of dividends (interim or final);
 - c) any change in capital structure;
 - d) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions; and
 - e) changes in the Key Managerial Personnel.

Provided that the Trading window restrictions mentioned above in paragraph 10(ii) shall not apply in respect of the following transactions:

- (a) Off-market inter-se transfer between the insiders who were in possession of the same UPSI without being in breach of the Regulations (provided such UPSI was not obtained in terms of regulation 3(3) of the Regulations) and both parties had made a conscious and informed trade decision;
- (b) Transaction carried out through block deal window mechanism between persons who were in possession of UPSI without breach of the Regulations (provided such UPSI was not obtained in terms of regulation 3(3) of the PIT Regulations) and both the parties had made a conscious and informed trade decision;
- (c) Transaction carried out pursuant to statutory or regulatory obligation to carry out a bonafide transaction;
- (d) Transaction undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations;
- (e) Trades pursuant to trading plans set up in accordance with Regulations;
- (f) Pledge of shares for a bonafide purpose such as raising of funds;

- (g) Transactions undertaken in accordance with respective regulations made by SEBI such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back or open offer, delisting offer or transactions which are undertaken through such other mechanism as may be specified by the Board from time to time.

If any of the transactions mentioned in paragraphs (a) to (e) above are proposed to be undertaken when the trading window is closed, such transaction may be undertaken subject to compliance with all applicable regulations notified by SEBI from time to time and subject to obtaining pre-clearance from the Compliance Officer.

Provided further that the Trading window shall be closed from the end of every quarter till 48 (Forty Eight) hours after the declaration of the financial results. The Company shall ensure that the gap between clearance of account by audit committee and the board meeting shall be as narrow as possible and preferably on the same day to avoid leakage of material information.

- (iii) The Designated Persons and their Immediate Relatives shall not Trade in the Securities of the Company during the period when the Trading window is closed.
- (iv) The Compliance Officer shall determine the timing for re-opening of the Trading window considering various factors including but not limited to the relevant UPSI becoming Generally available information and the same being capable of assimilation by the market.
- (v) The Compliance Officer shall ensure that the Trading window shall not be re-opened earlier than 48 (Forty Eight) hours after the concerned information becomes a Generally available information.
- (vi) The notice of closure of the Trading window provided to the stock exchanges, where the Securities of the Company are listed, by the Compliance Officer, shall be deemed to be an intimation to the Designated Persons / Insiders for adherence and compliance with this Code and the Regulations.
- (vii) All Designated Persons shall conduct all their Trading in the Securities of the Company only in a valid Trading Window and shall not trade in any transaction involving the purchase and sale of the Securities of the Company during the periods when Trading Window is closed, or during any other period as may be specified by the Company from time to time.
- (viii) When the Trading Window is open, any trading by Designated Persons shall be subject to pre-clearance by the Compliance Officer.

11. Pre-clearance of Trades

- (i) A Designated Person, who intend to Trade in the Securities of the Company above the Threshold limit, shall obtain pre-clearance from the Compliance Officer. Application for pre-clearance shall be made only during valid Trading period in the format set out in **Annexure 1** of this Code (**Form I**).
- (ii) The Designated Persons shall make a pre-clearance application to the Compliance Officer in the prescribed format (**Form I**) along with an undertaking in the prescribed format declaring that they are not in possession of any UPSI.

- (iii) Immediately on receipt of the pre-clearance application, the date and time of the receipt of the same shall be recorded thereon. The Compliance Officer shall process the pre-clearance applications and if the pre-clearance application is in accordance and in compliance with the provisions of this Code, the Compliance Officer shall endeavor to communicate the pre-clearance immediately but not later than 48 (Forty Eight) hours from the time of receiving the application.
- (iv) The Designated Person shall, within 7 (Seven) Trading days from the date of receipt of pre-clearance from the Compliance Officer, execute the pre-approved Trade. If the pre-approved Trade is not executed within the stipulated time limit, the Designated Person shall be required to obtain a fresh pre-clearance for such Trade.
- (v) The Designated Persons are, within 2 (Two) Trading days, required to intimate the Compliance Officer regarding the execution or non-execution of the pre-approved Trades in the format set out in **Annexure 2** of this Code (**Form II**).
- (vi) The Designated Persons shall not enter into “**Contra Trade**” i.e. opposite or reverse transactions, in the Securities of the Company during the next 6 (Six) months from the date of the previous Trade. However, the Compliance Officer is empowered to modify or relax the said period for reasons to be recorded in writing, provided the same shall not be in violation of this Code and/or the Regulations. The Designated Person shall make an application to the Compliance Officer for the modification or relaxation of the specified timeline in the format set out in **Annexure 3** of this Code (**Form III**).

Provided that the restriction in relation to the Contra Trade shall not be applicable for Trades pursuant to exercise of stock options.

- (vii) In the event of a Contra Trade being executed, inadvertently or otherwise, in violation of this Code and / or the Regulations, the profits from such Trade shall be liable to be disgorged for remittance to the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.
- (viii) In the event of the Compliance Officer intending to Trade in the Securities of the Company beyond the Threshold limit, the pre-clearance of the managing director or in his absence, the chairman of the Board, will have to be obtained. All other provisions of the Code will mutatis-mutandis apply in respect of transactions by the Compliance Officer.

Disclosure of Trading by Insiders

12. Initial Disclosures

Every Promoter, member of the Promoter Group, director and Key Managerial Personnel of the Company shall disclose his holding of the Securities of the Company as on the date of his appointment or on becoming a Promoter or member of the Promoter Group, to the Company within 7 (Seven) days of such appointment or becoming a Promoter or member of the Promoter Group, in **Form B**, the format of which has been prescribed in the Regulations.

13. Continual Disclosures

- (i) Every Promoter, member of the Promoter Group and other Designated Persons of the Company shall, in **Form C**, the format of which has been prescribed in the Regulations, disclose to the Company, the number of Securities acquired or disposed of within 2 (Two) Trading days of such transaction if the value of the Securities so traded, whether in one transaction or a series of transactions exceeds the Threshold limit;
- (ii) The Compliance Officer will notify the particulars of such Trading to the stock exchanges on which the Securities of the Company are listed, as applicable, within 2 (Two) Trading days of receipt of the disclosure or from becoming aware of such information.
- (iii) Further, disclosure of any incremental transactions shall be made only when such incremental transactions effected after the prior disclosure crosses the Threshold limit.
- (iv) The Company may, at its sole discretion, require any other Connected Person or class of Connected Persons to make disclosures of its holding and Trading in the Securities of the Company in **Form D**, the format of which has been prescribed in the Regulations and at such frequency as determined by the Company.

14. Annual Disclosures

Every Designated Person of the Company is required to give an annual disclosure within 30 (Thirty) days from the end of each financial year in the format set out in **Annexure 4** of this Code (**Form IV**).

Note: Trading in the Securities shall also include Trading in derivatives of the Securities and the traded value of the derivatives shall be taken into account for the purpose of making initial and / or continual disclosures as required in paragraph 12 and 13 above.

The disclosures to be made under paragraph 12, 13 and 14 of this Code shall include disclosures in relation to (i) the Immediate Relatives of the person making the disclosure; and (ii) any other person for whom Trading decisions are taken by the person making the disclosure.

15. Other Disclosures

- (i) Every Designated Person of the Company shall also disclose the names and permanent account number or any other identifier authorized by law of the following persons along with their respective phone, mobile and cell numbers, to the Company on an annual basis, and as and when the information changes, in the format set out in **Annexure 4** of this Code (**Form IV**):
 - a) Immediate relatives; and
 - b) Persons with whom such Designated Person shares a Material Financial Relationship.

Note: "Material Financial Relationship" shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a Designated Person during the immediately preceding 12 (Twelve) months, equivalent to at least 25% (Twenty Five Percent) of the annual income of such Designated Person but shall exclude relationships in which the payment is based on arm's length transactions."

- (ii) Further, every Designated Persons of the Company is required to give the names of the educational institutions from which such Designated Person has graduated and names of their respective past employers, on a one-time basis.

16. Procedure and Penalty for non-compliance of this Code

- (i) The Company shall follow the policies and procedures formulated for inquiry in case of leak or suspected leak of UPSI and accordingly initiate appropriate inquiries on becoming aware of leak of UPSI or suspected leak of UPSI.
- (ii) Any Designated Person, who contravenes the provisions of this Code may be penalized and appropriate action may be taken by the Company in accordance with the policies and procedures formulated for inquiry in case of leak or suspected leak of UPSI, which may include wage freeze, suspension, in-eligibility for future participation in employee stock option schemes, etc. Any amount collected by the Company under this paragraph shall be remitted to the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.
- (iii) The Compliance Officer shall:
 - a) promptly intimate any such violation to the stock exchange on which the concerned Securities of the Company are traded and the Board in a format prescribed by the Board from time to time; and
 - b) maintain a database of the violation of the code of conduct by the Designated Persons and immediate relatives of the Designated Persons that entails initiation of appropriate action against them.
- (iv) In addition to the action that may be taken by the Company, the persons violating the Regulations and/or this Code shall also be subject to action under the Act and the Regulations.

17. General

- (i) The decision of the Compliance Officer or the Board of Directors (as the case may be) with regard to any or all matters relating to this Code shall be final and binding on all concerned parties.
- (ii) This Code is subject to the applicable laws including but not limited to the Regulations and shall supersede the earlier version of the Code.
- (iii) The audit committee of the Company shall review compliance of this Code at least once in a financial year and verify whether the systems for internal control are adequate and are operating effectively.
- (iv) This Code is subject to review by the Board of Directors as and when deemed necessary. The Board of Directors may amend the Code from time to time depending upon the requirements of the provisions of the Regulations and other applicable laws.
- (v) Notwithstanding anything contained in this Code, the Company shall ensure compliance with any additional requirements as may be prescribed under any laws / regulations either existing or arising out of any amendment to such laws / regulations or otherwise and applicable to the Company from time to time. Any change/amendment in applicable laws with regard to maintenance of code of conduct to regulate, monitor and report trading by its employees and

other connected persons shall be deemed to be incorporated in this Code by reference and this Code shall be deemed to have been amended and revised accordingly without any need or requirement of any action.

- (vi) For all queries concerning this Code, please contact the Compliance Officer.
- (vii) Any reference to any gender in this Code shall include references to the female, male and neuter genders.

DISCLAIMER

THIS POLICY IS ONLY INTERNAL CODE OF CONDUCT AND ONE OF THE MEASURES TO AVOID INSIDER TRADING. EVERY CONNECTED PERSON IS REQUIRED TO FAMILIARISE HIMSELF WITH THE REGULATIONS AS IT WILL BE THE RESPONSIBILITY OF EACH CONNECTED PERSON (AND HIS RELATIVES) TO ENSURE COMPLIANCE OF THIS CODE, REGULATIONS AND OTHER RELATED STATUTES FULLY.

ANNEXURE 1 - FORM I

FORMAT OF APPLICATION FOR OBTAINING PRE-CLEARANCE APPROVAL

To,
The Compliance Officer
Capital India Finance Limited
(formerly known as Bhilwara Tex-Fin Limited)

Dear Sir,

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Insider Trading Policy of the Company, I seek your approval to purchase / sale / subscription of equity shares of the Company as per details given below:

Name of the Applicant	
Designation	
Folio No. / DP ID / Client ID No.	
The proposal is for: 1. Purchase of securities 2. Subscription to securities 3. Sale of securities	
Proposed date of dealing in securities	
Estimated number of securities proposed to be acquired/subscribed/sold	
In whose name the transactions will take place (please insert the name along with relation)	
Price at which the transaction is proposed	
Current market price (as on date of this application)	
Whether the proposed transaction will be through stock exchange i.e. market or off-market deal	
Folio No. / DP ID / Client ID No. where the securities will be credited / debited	

STATEMENT OF HOLDINGS AT THE TIME OF PRE-CLEARANCE

I. DETAILS OF HOLDINGS OF THE DESIGNATED PERSONS HELD IN THEIR OWN NAME

Name	Designation	Department	No. of Securities held (with Folio No. /DP ID and Client ID)	Nature of Transaction for which approval is sought [Purchase/Sell/Others]	No. of Securities to be dealt	Aggregate value of the transaction (Rs.) (approx.)

II. DETAILS OF THE SECURITIES HELD BY MY IMMEDIATE RELATIVES OR THE PERSON WITH WHOM I SHARE A MATERIAL FINANCIAL RELATIONSHIP* OR OTHER PERSON FOR WHOM TRADING DECISIONS ARE TAKEN BY ME

Name	Relationship	No. of Securities held (with Folio/DP ID/Client ID)	Nature of transaction for which approval is sought [Purchase/Sell /Others]	No. of Securities to be dealt	Aggregate value of the transaction (Rs.) (approx.)

**“Material Financial Relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding 12 (Twelve) months, equivalent to at least 25% (Twenty Five Percent) of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.”*

I enclose herewith the form of Undertaking signed by me.

You are requested kindly to give your permission to trade in the equity shares/ other securities of the Company as requested above.

Thanking You,
Yours truly,

Name:
Date:
Place:
Department:

Enclosure: Undertaking

FORMAT OF UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR OBTAINING PRE-CLEARANCE APPROVAL

UNDERTAKING

To,
The Compliance Officer
Capital India Finance Limited
(formerly known as Bhilwara Tex-Fin Limited)
(hereinafter referred to as "Company")

I, _____(name), _____(designation) of the Company, residing at _____(address of the Designated Person) hereby declare that, I am not in possession of any Unpublished Price Sensitive Information (as defined in the Insider Trading Policy of the Company) as of date of this undertaking.

I further declare that in the event, I have access to any Unpublished Price Sensitive Information after the signing of this undertaking and before the execution of the Trade for which pre-clearance is requested, I shall:

- a. Promptly inform the Compliance Officer;
- b. Refrain from Trading in the Securities of the Company; and
- c. Make fresh application for obtaining pre-clearance approval from the Compliance Officer (as defined in the Insider Trading Policy of the Company) in Form I only after 2 (Two) days of such Unpublished Price Sensitive Information becoming public.

Upon obtaining pre-clearance for Trading in the Securities of the Company, I undertake to execute the transaction within 7 (Seven) Trading days, failing which I shall seek a fresh pre-clearance approval.

I undertake to submit Form B within 2 (Two) Trading days of execution of the transaction / a NIL report in case the transaction is not executed within 7 (Seven) Trading days of receiving the pre-clearance.

I declare that I have made true and accurate disclosure in this matter as per the provisions of the Insider Trading Policy of the Company and have not contravened any of the provisions of the Insider Trading Policy of the Company and/or the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

Thanking You,
Yours truly,

Name:
Date:
Place:
Department:

ANNEXURE 2 – FORM II

**FORMAT FOR DISCLOSURE OF TRANSACTIONS EXECUTED/NOT EXECUTED AFTER OBTAINING
PRE-CLEARANCE OF TRADE**

To,
The Compliance Officer
Capital India Finance Limited
(formerly known as Bhilwara Tex-Fin Limited)
(hereinafter referred to as "Company")

With reference to trading approval granted by the Company to me on _____, I hereby inform that, I have bought/sold/subscribed for _____ [*insert the name of the security traded*] of the Company for Rs. _____ on _____.

In connection with the aforesaid transaction, please find enclosed copy of the following for your records:

Broker's contract note / proof of payment to / from brokers / extract of bank passbook / statements (in case of demat transaction) / copy of delivery instruction slips (applicable in case of sale transactions).

I hereby undertake to preserve the originals of the above-mentioned document for a period of 5 (Five) years and produce the same to the Company / the Securities Exchange Board of India, as and when required.

OR

With reference to trading approval granted by the Company to me on _____, I hereby inform that, I have NOT DEALT in the securities of the Company due to _____.

Thanking You,
Yours truly,

Name:
Date:
Place:
Department:

ANNEXURE 3 - FORM III

APPLICATION FOR WAIVER OF MINIMUM HOLDING PERIOD

To,
The Compliance Officer
Capital India Finance Limited
(formerly known as Bhilwara Tex-Fin Limited)
(hereinafter referred to as "Company")

Dear Sir,

I request you to grant me waiver of the minimum holding period of 6 (Six) months as required under the Insider Trading Policy of the Company with respect to [*insert the name of the security to be traded*] of the Company held by me /..... (name of relative) single / jointly acquired by me on(date). I desire to deal in the said [*insert the name of the security to be traded*] on account of (give reasons).

Thanking You,
Yours truly,

Name:
Date:
Place:
Department:

ANNEXURE 4 - FORM IV

ANNUAL DISCLOSURE

To,
The Compliance Officer
 Capital India Finance Limited
(formerly known as Bhilwara Tex-Fin Limited)
 (hereinafter referred to as “**Company**”)

Name of the Designated Person:

PAN Number:

Name of Educational Institution from which Designated Person Graduated:

Name of Past Employers:

I. DETAILS OF SECURITIES OF THE COMPANY HELD BY ME IN THE COMPANY

Designation	Department	Name and No. of Securities held on April 01, 20....	No. of Securities bought during year	No. of Securities sold During year	No. of Securities held on March 31, 20....	Folio No. / DP ID and Client ID

II. DETAILS OF MY IMMEDIATE RELATIVES OR THE PERSON WITH WHOM I SHARE A MATERIAL FINANCIAL RELATIONSHIP* OR OTHER PERSON FOR WHOM TRADING DECISIONS ARE TAKEN BY ME ALONG WITH THE DETAILS OF THE SECURITIES OF THE COMPANY HELD BY THEM

Name and Relation ship	PAN/any other identifier authorized by Law	Mobile Numbers	Name and No. of Securities Held on April 01, 20...	No. of Securities Bought during the year	No. of Securities Sold during the year	No. of Securities held on March 31, 20...	Folio No. / DP ID and Client ID

“Material Financial Relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding 12 (Twelve) months, equivalent to at least 25% (Twenty Five Percent) of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.”

I/We hereby declare that I/We have complied with the Insider Trading Policy of the Company and the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 with respect to the [insert the name of the securities] purchased/ sold.

I/We further declare that the above disclosure is true and correct and is in accordance with the previous disclosure given to the Company.

Thanking You,

Yours truly,

Name:
Date:
Place:
Department:

Deloitte Haskins & Sells LLP

Chartered Accountants
One International Center
Tower 3, 27th -32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai – 400 013
Maharashtra, India

Tele: + 91 22 6185 4000
Fax: +91 22 6185 4001

Date: 10 November 2021

To,
The Board of Directors
Rapipay Fintech Private Limited
A-8, 8th Floor, Q Tower,
Sector 68, Noida Uttar Pradesh, 201309

Dear Sirs,

Re: Resignation as statutory auditors of Rapipay Fintech Private Limited ("the Company") for the year ending March 31, 2022

We refer to our appointment as Statutory Auditors of Rapipay Fintech Private Limited (the "Company"), at the 12th Annual General Meeting ("AGM") held on 22 June 2021, for a term commencing from the said AGM, until the conclusion of the 13th AGM of the Company.

We would like to bring to your attention the recent circular issued by Reserve Bank of India ("RBI"), Circular No. RBI/2021-22/25 Ref. No. DoS. CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 ("the Circular"), which states that "The time gap between any non-audit works (services mentioned at Section 144 of Companies Act, 2013, Internal assignments, special assignments, etc.) by the SCAs/SAs for the Entities or any audit/non-audit works for its group entities should be at least one year, before or after its appointment as SCAs/SAs". Further as per FAQ 1 ("the FAQ"); "The Group entities refer to the RBI Regulated entities in the Group, which fulfil the definition of Group entity as provided in the Circular".

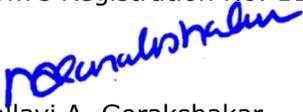
The Company and its Parent entity Capital India Finance Limited are both RBI Regulated entities as per the requirements of the Circular and the FAQ stated above. Accordingly, since we were the statutory auditors up to FY 2021 of the Parent entity, we would be ineligible to continue as statutory auditors of the Company with immediate effect.

We thank you for the cooperation and courtesies extended to us during our term as statutory auditors of the Company.

Kindly acknowledge the receipt of this letter.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants
Firm's Registration No. 117366W/W-100018


Pallavi A. Gorakshakar
Partner
Membership No. 105035

Place: Mumbai

Cc: Audit Committee

**Annexure A to SEBI Circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019
Format of information to be obtained from
the statutory auditor upon resignation**

1. Name of the ~~listed entity~~/ material subsidiary: Rapipay Fintech Private Limited

2. Details of the statutory auditor:
 - a. Name: Deloitte Haskins & Sells LLP (Firm Regn. No. 117366W/W-100018)
 - b. Address:
One International Center, Tower 3, 31st Floor, Elphinstone Compound, Senapati Bapat Marg, Elphinstone (W), Mumbai – 400 013 India.
 - c. Phone number: +91 22 61854000
 - d. Email: pgorakshakar@deloitte.com

3. Details of association with the ~~listed entity~~/ material subsidiary:
 - a. Date on which the statutory auditor was appointed:
Appointed at the 12th Annual General Meeting held on 22 June 2021 for a term commencing from the said AGM, until the conclusion of the 13th AGM of the Company.

 - b. Date on which the term of the statutory auditor was scheduled to expire:
On conclusion of the 13th Annual General Meeting (after completion of the statutory audit for the financial year ending March 31, 2022)

 - c. Prior to resignation, the latest audit report/limited review report submitted by the auditor and date of its submission. -, Limited Review Report for the Half Year and quarter ended 30 September 2021 issued on 28 October 2021, on the Unaudited Financial Results of the Company, prepared as per the format prescribed under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable to the Company, for the purpose of preparation of consolidated interim financial results of the holding company, Capital India Finance Limited.

4. Detailed reasons for resignation:
As per the recent circular issued by Reserve Bank of India ("RBI"), Circular No. RBI/2021-22/25 Ref. No. DoS. CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 ("the Circular"), which states that "The time gap between any non-audit works (services mentioned at Section 144 of Companies Act, 2013, Internal assignments, special assignments, etc.) by the SCAs/SAs for the Entities or any audit/non-audit works for its group entities should be at least one year, before or after its appointment as SCAs/SAs". Further as per FAQ 1 ("the FAQ"); "The Group entities refer to the RBI Regulated entities in the Group, which fulfil the definition of Group entity as provided in the Circular".

**Deloitte
Haskins & Sells LLP**

The Company and its Parent entity Capital India Finance Limited are both RBI Regulated entities as per the requirements of the Circular and the FAQ stated above. Accordingly, since we were the statutory auditors up to FY 2021 of the Parent entity, we would be ineligible to continue as statutory auditors of the Company with immediate effect.

5. In case of any concerns, efforts made by the auditor prior to resignation (including approaching the Audit Committee/Board of Directors along with the date of communication made to the Audit Committee/Board of Directors)

Not Applicable

6. In case the information requested by the auditor was not provided, then following shall be disclosed:

Not Applicable

a. Whether the inability to obtain sufficient appropriate audit evidence was due to a management-imposed limitation or circumstances beyond the control of the management. Not Applicable

b. Whether the lack of information would have significant impact on the financial statements/results. Not Applicable

c. Whether the auditor has performed alternative procedures to obtain appropriate evidence for the purposes of audit/limited review as laid down in SA 705 (Revised). Not Applicable

d. Whether the lack of information was prevalent in the previous reported financial statements/results. If yes, on what basis the previous audit/limited review reports were issued. Not Applicable

7. Any other facts relevant to the resignation:

None

Declaration

1. ~~I~~ We hereby confirm that the information given in this letter and its attachments is correct and complete.

2. ~~I~~ We hereby confirm that there is no other material reason other than those provided above for ~~my resignation~~ resignation of my firm.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Regn. No. 117366W/W-100018)


Pallavi A. Gorakshakar
Partner
Membership No. 105035

Date: 10 November 2021

Place: Mumbai