

**CAPFIN INDIA LIMITED**

**29<sup>th</sup>**

**Annual Report**

**2020-21**

## COMPANY INFORMATION

### BOARD OF DIRECTORS

|                  |               |
|------------------|---------------|
| 1.Rachita Mantry | DIN: 03414391 |
| 2.Sarita Mantry  | DIN: 01111382 |
| 3.Ashok Mohta    | DIN: 08485341 |
| 4.Sanjay Kukreja | DIN: 08506956 |

### STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Sanjay Kukreja (Chairman)  
Mrs. Sarita Mantry  
Mr. Ashok Mohta

### AUDITORS

#### Statutory Auditors

Adarsh Kumar & Co  
6A/1, Basement Ganga Chambers,  
W.E.A., Karol Bagh,  
New Delhi-110005

### NOMINATION AND REMUNERATION COMMITTEE

Mr. Sanjay Kukreja (Chairman)  
Mrs. Sarita Mantry  
Mr. Ashok Mohta

### REGISTERED OFFICE

**1C/13, Basement Rajnigandha Building,  
New Rohtak Road, New Delhi - 110005**

Phone No: 011-28762142

CIN: L74999DL1992PLC048032

E-mail id: [capfinindia ltd@yahoo.co.in](mailto:capfinindia ltd@yahoo.co.in)

Website: [www.capfinindia.com](http://www.capfinindia.com)

### SECRETARIAL AUDITOR

Deepanshi Jain & Associates  
205, Jagdamba Towers,  
13, Preet Vihar Commercial Complex  
Delhi – 110092

Mob : 91-8800984002

Email : [csdeepanshijain@gmail.com](mailto:csdeepanshijain@gmail.com)

### REGISTRAR AND SHARE TRANSFER AGENT

M/s. INDUS PORTFOLIO PRIVATE LTD

**REGD OFFICE:** HARI BHOOMI COMPLEX  
VINAY NAGAR, ROHTAK (HARYANA)

**CORP OFFICE:** G-65 BALI NAGAR

NEW DELHI - 110015

Tel No : 47671214

Email : [ippl@indusinvest.com](mailto:ippl@indusinvest.com)

Website : [www.indusinvest.com](http://www.indusinvest.com)

### AUDIT COMMITTEE

Mr. Sanjay Kukreja (Chairman)  
Mrs. Sarita Mantry  
Mr. Ashok Mohta

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**NOTICE**

NOTICE is hereby given that the 29th Annual General Meeting of the members of Capfin India Limited will be held on Thursday, 30<sup>th</sup> September 2021 at 5.00PM to transact through Video Conferencing (“VC”) / Other AudioVisual Means (“OAVM”) to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2021 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mrs. Sarita Mantry (01111382), who retires by rotation and being eligible, offers herself for re-appointment.
3. To retire auditor Adarsh Kumar & Co, Chartered Accountants, Delhi at the conclusion of the ensuing Annual General Meeting and appoint Rag and Associates, Chartered Accountants, Delhi as Auditors and to fix their remuneration and in this regard to consider if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**

**“RESOLVED THAT** Rag & Associates, Chartered Accountants be and is hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting for 5 consecutive years, subject to ratification of the appointment by the Members of the Company at every Annual General Meeting as per the provisions of the Companies Act, 2013 at such remuneration plus GST, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

**Place:** New Delhi  
**Date:** August 26, 2021

**By Order of the Board**  
**For Capfin India Limited**

**Rachita Mantry Kabra**  
Whole Time Director  
DIN: 03414391

**NOTES:**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the Ministry of Corporate Affairs (“MCA”) vide its Circular No. 20/2020 dated May 5, 2020 read with Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 02/2021 dated January 13, 2021 (collectively referred to as “MCA Circulars”) & SEBI circular dated 12/05/2020 has permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Since, the AGM is being conducted through VC/OAVM, there is no provision for appointment of proxies. Accordingly, appointment of proxies by the members will not be available. Hence, the proxy form and attendance slip including route map are not annexed to this notice.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. Corporate members intending to attend the AGM through authorized representatives are requested to send a scanned copy of duly certified copy of the board or governing body resolution authorizing the representatives to attend and vote at the Annual General Meeting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [bansal.deepanshu@gmail.com](mailto:bansal.deepanshu@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Additional information, pursuant to Regulation 36 (3), of the Listing Regulations, in respect of directors reappointing at the Annual General Meeting is appended hereto and forms part of this Notice.

7. a) The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2021 to 30th September, 2021 (both days inclusive). b) The remote e-voting period commences on Monday, September 27, 2021 (09:00 am) and ends on Wednesday, September 29, 2021 (05:00 pm). No e-voting shall be allowed beyond the said date and time. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 23, 2021, may cast their vote by remote e-voting.
8. Members holding shares in physical form are requested to intimate immediately to the Registrar & Share Transfer Agent of the Company, **Indus Portfolio Private Limited, G-65, Bali Nagar, and New Delhi 110015** Ph:011-47671214 quoting registered Folio No. (a) Details of their bank account/change in bank account, if any, and (b) change in their address, if any, with pin code number.

In case shares are in demat form members are requested to update their bank detail with their depository participant.

The equity share capital of the company is held by 327 shareholders, out of which 181 shareholders holding 95.59 % of the capital are in dematerialized form and the balance **146** shareholders holding 4.41% of the capital are in physical form. **The shareholders having shares in physical form are requested to dematerialize the shares at the earliest.**

9. In terms of Section 72 of the Companies Act, 2013 and the applicable provisions, the shareholders of the Company may nominate a person in whose name the shares held by him/them shall vest in the event of his/their death. Shareholders desirous of availing this facility may submit the requisite nomination form.
10. Any member requiring further information on the Accounts at the meeting is requested to send the queries in writing to President (Finance) & CFO, at least five days before the meeting.
11. In respect of the matters pertaining to Bank details, ECS mandates, nomination, power of attorney, change in name/address etc., the members are requested to approach the Company's Registrars and Share Transfer Agent, in respect of shares held in physical form and the respective Depository Participants, in case of shares held in electronic form. In all correspondence with the Company/Registrar and Share Transfer Agent, members are requested to quote their folio numbers or DP ID and Client ID for physical or electronic holdings respectively.
12. The documents referred to in the proposed resolutions are available for inspection at its Registered Office of the Company during normal business hours on any working day except Saturdays, up to the date of meeting.

13. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN to the Company/Registrar.
14. Members who hold shares in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar, for consolidation into a single folio.
15. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, the Annual Report including audited financial statements for the financial year 2020 including notice of 29<sup>th</sup> AGM is being sent only through electronic mode to those Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

In case you have not registered your email id with depository or RTA you may registered your emailid in following manner.

|                         |  |
|-------------------------|--|
| <b>Physical Holding</b> | Send a signed request to company at <a href="mailto:capfinindialtd@yahoo.co.in">capfinindialtd@yahoo.co.in</a> providing Folio number, Name of the shareholder, scanned copy of the share certificate (Front and Back), PAN( Self attested scanned copy of PAN Card), AADHAR ( Self attested scanned copy of Aadhar Card) for registering email address. |
| <b>Demat Holding</b>    | Please contact yo ur Depository Participant (DP) and register your email address as per the process advised by DP and send scan copy of client master to the company at <a href="mailto:capfinindialtd@yahoo.co.in">capfinindialtd@yahoo.co.in</a>   |

16. Additional information, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Director's seeking appointment/re-appointment is annexed to the notice.
17. **Voting through electronic means:** In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended up to date and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, the Company is pleased to provide facility of voting through electronic means i.e. remote e-voting in respect of the business(es) to be transacted at the 29th Annual General Meeting (AGM) as well as e-voting system on the date of the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

18. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date/record date i.e., Saturday, the 23<sup>rd</sup> September, 2021. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
19. Further, the company has engaged NIVIS CORP SERVE LLP for providing video conferencing system through cisco webex and e-voting services through NSDL. In case any member required any assistance in respect of e-voting or joining of Meeting through VC/OAVM can contact at following: -
- Ms. Swapnil at [info@nivis.co.in](mailto:info@nivis.co.in),
  - Nivis Corpserve LLP,
  - Contact No. 011-45201005.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE ASUNDER: -**

**The remote e-voting period begins on 27<sup>th</sup> September 2021 at 9:00 A.M. and ends on 29<sup>th</sup> September 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e., 23<sup>rd</sup> September 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 23<sup>rd</sup> September 2021.**

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1: Access to NSDL e-Voting system**

- A) Login method for e-Voting ajoining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.



Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders   | Login Method  |
|--|---|
| <p>Individual Shareholders holding securities in demat mode with NSDL.</p> | <ol style="list-style-type: none"> <li>1. If you are already registered for <b>NSDL IDEAS facility</b>, please visit the e -Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e -Services is launched, click on the <b>“Beneficial Owner”</b> icon under “Login” which is available under <b>“IDEAS”</b> section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e -Voting services. Click on “Access to e -Voting” under e-Voting services and you will be able to see e -Voting page. Click on options available against company name or <b>e-Voting service provider – NSDL</b> and you will be re -directed to NSDL e -Voting website for casting your vote during the remote e -Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDEAS e -Services, option to register is available at <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a>. Select <b>“Register Online for IDEAS”</b> Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e -Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e -Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e -Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e -Voting website of NSDL for casting your vote during the remote e -Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol> |
| <p>Individual Shareholders holding securities in demat mode with CDSL</p>  | <ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e -Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> </ol>  |

|  |  |
|--|--|
|  | <p>3. If the user is not registered for Easi/Easiest, option to register is available at<br/> <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4. Alternatively, the user can directly access e -Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate</p> |
|--|--|

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

| <b>Login type</b>  | <b>Helpdesk details</b>  |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30               |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022 - 23058738 or 022-23058542-43 |

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e -Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e -Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

4. Your User ID details are given below :

| <b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b> | <b>Your User ID is:</b>   |
|---|---|
| a) For Members who hold shares in demat account with NSDL.            | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.   |
| b) For Members who hold shares in demat account with CDSL.            | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12***** then your user ID is 12*****.  |
| c) For Members holding shares in Physical Form.                       | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e -Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e -Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the " initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password ?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) Physical User Reset Password ?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [bansal.deepanshu@gmail.com](mailto:bansal.deepanshu@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to NivisCorpserve LLP, Ms. Swapnil at [info@nsdl.co.in](mailto:info@nsdl.co.in) or may call at 011-45201005

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please send signed request with Folio No., Name of shareholder, scanned copy of any one share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [iipl@indusinvest.com](mailto:iipl@indusinvest.com).
2. In case shares are held in demat mode, please update your email id with your depository. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e.Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively,shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THEEGM/AGM ARE AS UNDER: -**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above forremote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM throughVC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible tovote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend theEGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connectedwith the facility for e-Voting on the day of the EGM/AGM shall be the same person mentionedfor Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at capfinindia ltd@yahoo.co.in. The same will be replied by the company suitably

**Annexure to the Notice**  
**Details of Directors seeking appointment/re-appointment at the Annual General Meeting as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

| Particulars  | Sarita Mantry     | Rachita Mantry Kabra                             | Ashok Mohta                         | Sanjay Kukreja                       |
|--|-------------------|--|-------------------------------------|--------------------------------------|
| Date of Birth  | 13-01-1965        | 23-01-1991                                       | 18-10-1957                          | 08-05-1969                           |
| Date of appointment/ re appointment  | 13-02-2017        | 29-09-2015/ 28 - 09-2020                         | 18-06-2019                          | 25-08-2020                           |
| Qualifications   | Graduate          | CA   | Graduate                            | Graduate                             |
| Expertise in specific functional areas   | Financial Matters | Wide experience in Banking and Financial Matters | Wide experience in Industry Matters | Wide experience in Financial Matters |
| Inter-se relationship between directors and key managerial personnel                               | -                 | CFO of the Company                               | -                                   | -                                    |
| Directorships held in other public companies (excluding foreign companies and Section 8 companies) | -                 | -  | -                                   | 1                                    |
| Memberships/Chairmanships of committees of other public companies                                  | -                 | -  | -                                   | -                                    |
| Number of shares held in the Company   | 155710            | 25990  | -                                   | -                                    |

**Place:** New Delhi  
**Date:** August 26,2021

**By Order of the Board**  
**For Capfin India Limited**  
**CIN: L74999DL1992PLC048032**

**Rachita Mantry Kabra**  
 Whole Time Director  
 DIN: 03414391

**DIRECTOR REPORT**

To,  
**Dear Shareholders**

Your directors have the pleasure in presenting their 29<sup>th</sup> Annual report of the company along with audited financial statements as required under the Ministry of Corporate Affairs' General Circular 08/2014 No. 1/19/2013-CL-V dated April 4, 2014, the Financial Statements and other reports required to be attached to the Annual Report for FY 2020-21 are governed by the relevant provisions, schedules, rules of the Companies Act, 2013.

**1. FINANCIAL RESULTS**

The results of your Company's financial prudence and business excellence for the year ended 31<sup>st</sup> March 2021 are as follows:

| Particulars  | (Rs. In Lacs)                      |                                       |
|--|------------------------------------|---------------------------------------|
|  | Financial year<br>ended 31.03.2021 | Financial year<br>ended<br>31.03.2020 |
| Gross Income                                       | 15.00                              | 16.79                                 |
| Profit/(Loss) before Depreciation and Tax          | 4.81                               | 3.79                                  |
| Less: Depreciation                                 | .45                                | .46                                   |
| Profit/(Loss) before Tax                           | 4.36                               | 3.33                                  |
| Add/Less: Provision for tax including deferred Tax | 0.49                               | 0.76                                  |
| Profit/(Loss) after Tax                            | 3.87                               | 2.57                                  |

**2. BUSINESS PERFORMANCE**

During the year under review, your company has incurred a Profit before depreciation and Income Tax of Rs. 4.36lacs from its operation. After providing depreciation of Rs. 0.45lacs and provisions of Income Tax of Rs0.49Lacs the company's net profit amounts toRs. 3.87Lacs as compared to profit of Rs. 2.51earned previous year. Your Company continues to take effective steps in broad basing its range of activities. The performance of the Company during the period under review has been satisfactory.

**3.DIVIDEND**

Keeping in view the future requirements of funds by the Company for its proposed growth and expansion, the Board expresses its inability to recommend any dividend from the available profit.

**4. SHARE CAPITAL**

The paid-up Equity Share Capital as on March 31,2021 was Rs. 2,86,47,000. During the year under review the company has not issued any shares or any convertible instruments.



## **5. AMOUNT TRANSFERRED TO RESERVES**

During the year under review, the company has transferred loss of Rs 30.87 lacs to the reserves of the Company as per the norms of RBI Act, 1974.

## **6. FUTURE OUTLOOK**

In the current year, your directors are putting up efforts and it is hoped that the company will do better in the current year. The outlook for the current year is also very bright and your directors are hopeful of doing a good business during the current year.

## **7. FIXED DEPOSITS**

The Company has not accepted any public deposits during FY 2020-21 within the meaning of Section 73 of the Companies Act, 2013 and the rules made there under. As per NBFC Guidelines issued by the Reserve Bank of India, the Board of Directors has passed the required resolution confirming that the Company has neither accepted any public deposits and nor does it intend to do so in the coming year 2021-2022.

## **8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The particulars of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 may be taken as nil.

## **9. MATERIAL CHANGES & COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There have been no material changes or any other commitments which may affect the financial position of the Company.

## **10. LISTING OF SHARES**

The company declares that its equity share is listed on BSE Ltd. The company has paid the annual listing fee for the year 2020-2021 to the said exchange.

## **11. SHARE TRANSFER SYSTEM**

The request regarding physical share transfers and share certificates should be addressed to Registrar and Transfer Agent. Such requests are processed within stipulated time from the date of receipt provided documents meet the stipulated requirement of statutory provisions in all respect. The share certificates duly endorsed are returned immediately to the shareholder by RTA. The details of transfer and transmission are placed before the Stakeholders Relationship Committee from time to time and the Board for noting and confirmation.

## **12. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In Accordance with the provisions of Companies Act, 2013 Mrs Sarita Mantry (DIN: 01111382) retires by rotation and being eligible offers herself for reappointment.

### **12.1 BOARD EVALUATION**

Pursuant to the provisions of Companies Act, 2013, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder committee. The manner in which the evaluation has been carried out has been explained in Corporate Governance Report.

## **12.2 INDEPENDENT DIRECTORS MEETING**

During the Financial Year 2020-2021 one meeting of the Independent Directors was held on 28.03.2021 to discuss the evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole, evaluation of the performance of the Chairman of the Company taking into account the views of the executive and non-executive Directors and evaluation of the quality, content and timeliness of the flow of information between the management and Board which is necessary for the Board to perform its duties.

## **12.3 REMUNERATION POLICY**

Board has on the recommendation of the Nomination & Remuneration committee framed a policy for the selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

## **12.4 DECLARATIONS BY INDEPENDENT DIRECTORS**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

## **12.5 BOARD MEETINGS**

During the year Nine (09) Board meetings were held, details of which are given below:

| <b>S. No.</b> | <b>Date of Board meeting</b> | <b>No. of Directors attended meeting</b> |
|---------------|------------------------------|--|
| 1.            | 20.05.2020                   | 4  |
| 2.            | 31.07.2020                   | 4  |
| 3.            | 14.08.2020                   | 4  |
| 4.            | 25.08.2020                   | 4  |
| 5.            | 05.09.2020                   | 4  |
| 6.            | 27.09.2020                   | 4  |
| 7.            | 06.10.2020                   | 4  |
| 8.            | 11.11.2020                   | 4  |
| 9.            | 06.02.2021                   | 4  |

### 13. COMMITTEE OF BOARD

#### 13.1 AUDIT COMMITTEE

The company is having an audit committee comprising of the following directors:

| <b>Name</b>    | <b>Status</b> | <b>Category</b>        |
|----------------|---------------|------------------------|
| Sanjay Kukreja | Chairman      | Independent Director   |
| Sarita Mantry  | Member        | Non-Executive Director |
| Ashok Mohta    | Member        | Independent Director   |

#### 13.2 NOMINATION AND REMUNERATION COMMITTEE

The company is having a Nomination and Remuneration committee comprising of the following directors:

| <b>Name</b>    | <b>Status</b> | <b>Category</b>        |
|----------------|---------------|------------------------|
| Sanjay Kukreja | Chairman      | Independent Director   |
| Sarita Mantry  | Member        | Non-Executive Director |
| Ashok Mohta    | Member        | Independent Director   |

#### 13.3 STAKEHOLDER RELATIONSHIP COMMITTEE

The company is having a Stakeholder Relationship committee comprising of the following directors:

| <b>Name</b>    | <b>Status</b> | <b>Category</b>        |
|----------------|---------------|------------------------|
| Sanjay Kukreja | Chairman      | Independent Director   |
| Sarita Mantry  | Member        | Non-Executive Director |
| Ashok Mohta    | Member        | Independent Director   |

### 14. VIGIL MECHANISM / WHISTLE BLOWER POLICY

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity, and ethical behavior the company has adopted a vigil mechanism policy. This policy is explained in corporate governance report and posted on the website of company.

### 15. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) that in the preparation of the annual financial statements for the year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- b) that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit/loss of the Company for the year ended on that date.
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That the annual financial statements have been prepared on a going concern basis;
- e) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

#### **16. COMPANY POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION**

The company has formulated a remuneration policy which provides the manner of selection of Board of Directors, KMP and their remuneration. In case of appointment of independent directors, the Nomination and Remuneration Committee shall satisfy itself with regard to independent nature of its directors viz-a-viz the company so as to enable the Board to discharge its performance and duties effectively.

#### **17. RELATED PARTY TRANSACTIONS**

There were no contracts or arrangements entered into by the company in accordance with provisions of section 188 of the Companies Act, 2013. All material related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

#### **18. IMPACT OF COVID-19 ON BUSINESS**

The spread of COVID-19 has severely impacted businesses around the globe. In many countries including India, there has been severe disruption to regular business operations due to lockdown, disruption in transportation, quarantines, social distancing and many other norms.

The COVID-19 pandemic is rapidly spreading throughout the world. Company office was in lockdown since April 20, 2021. Effective in the beginning of the June 2021 as per directives of MHA, wherein some relaxations were announced, the Company made operational its office with 33% capacity taking all the precautions and following all the standard norms. The company has evaluated its liquidity position and recoverability and carrying value of its assets and has conducted no material adjustment. However, in future some adjustment will be required to be made due to COVID-19 pandemic.

## **19. MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report of your company for the financial year ended on 31st March 2021 are as under:

### **(a) Industry Structure and Development**

Your Company is engaged in the financial activities and management expects that there is huge scope of development and growth in spite of competitive market conditions.

### **(b) Opportunities and Threats**

The Company envisages huge growth in the financial activities sector as indicated in the current financial year. But increased cost of purchases, competitive market conditions and low margins are the major threats in the financial companies.

### **(c) Segment - Wise and Product - Wise Performance**

The Company operates in single segment. Therefore, no Segment – Wise and Product – Wise performance is done by the Company.

### **(d) Outlook**

The Company does not foresee and major threat to the growth prospective. Since the company is presently engaged in the financial activities, there is huge scope of growth in the industry.

### **(e) Risk and Concerns**

The Company has constituted a committee of Directors to identify, monitor and minimize the risk and to identify the business opportunities. The Committee is also entrusted the job of defining the framework for identification, assessment, monitoring, and reporting of the risk and review of risk trends and its potential impact.

### **(f) Internal Control Systems and it Adequacy**

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts

and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company.

**(g) Discussion on Financial Performance with respect to Operational Performance**

The financial performance during the current financial year in terms of sales has been on the downfall side. The Company has earned profit of 3.87lacs during the year under review.

**(h) Material Development in Human Resources / Industrial Relations**

The Company recognized the significance of human values and ensures that proper encouragement is given to the employees of the Company to motivate them. Employee's relations continued to be cordial throughout the year in the company.

**(i) Cautionary Statement**

The Statements in the "Management Discussion and Analysis Report" describe the Company's objectives, estimates and expectations, which may be a forward looking statement within the meaning of applicable laws, rules and regulations. The actual results may differ from those expressed or implied, depending upon the economic conditions and policies of the Government.

**20. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

**21. EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure B".

**22. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, are not applicable.

**23. PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as follows:

The company has one Executive Director, so no sitting fees has been paid to any director during the year. The particulars of the employees who are covered by the provisions contained in Rule 5(2) and rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are requiring particulars of the employees to be disclosed in the report of Board of Directors are not applicable to the company as none of the employees was in receipt of remuneration in excess of 1.20 Crore per year during the financial year 2020-21.

## **24. AUDITORS**

### **24.1 STATUTORY AUDITORS**

M/s Adarsh Kumar & Co. Chartered Accountants (ICAI Reg No: 087559, FRN -013300N), were appointed as statutory auditors of the Company upto the conclusion of 29<sup>th</sup> Annual general meeting subject to ratification of their appointment at every annual general meeting to be held after 24<sup>th</sup> Annual general meeting.

To retire auditor Adarsh Kumar & Co, Chartered Accountants, Delhi at the conclusion of the ensuing Annual General Meeting and appoint Rag and Associates, Chartered Accountants, Delhi as Auditors and to fix their remuneration and in this regard to consider if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**

**“RESOLVED THAT** Rag & Associates, Chartered Accountants be and is hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting for 5 consecutive years, subject to ratification of the appointment by the Members of the Company at every Annual General Meeting as per the provisions of the Companies Act, 2013 at such remuneration plus GST, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

### **24.2 SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed CS Deepanshi Jain (COP No. 14826, Membership no: 40127) Company Secretaries to undertake the secretarial audit of the company. The Secretarial Audit Report is annexed herewith as 'Annexure-A'.

### **24.3 INTERNAL AUDITORS**

The company has appointed Neha Mantryas internal auditor of the company pursuant section 138 of the Companies Act, 2013 read with Rule 13 of Companies (Accounts) Rules, 2014.

## **25. SUBSIDIARY, JOINT VENTURES OR ASSOCIATE COMPANIES**

The Company does not have any subsidiary, joint venture, or associate company

## **26. DETAIL OF FAMILIARIZATION PROGRAMME OF THE INDEPENDENT DIRECTORS**

During the year under review one familiarization programme was conducted for the independent Directors of the Company.

**27. NUMBER OF COMPLAINTS RECEIVED AND DISPOSED OFF DURING THE YEAR AS PER THE SEXUAL HARASSMENT OF WORKMEN AT THE WORKPLACE ACT, 2013 – PROTECTION, PROHIBITION AND REDRESSAL**

During the year under review the company has not received any complaint as per the sexual Harassments of Workmen at the Workplace Act, 2013.

**28. DETAIL OF SHARES IN UNCLAIMED SUSPENSE ACCOUNT**

The Company has Nil shares in Unclaimed Suspense Account

**29. STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

The provisions of Regulation 21 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 are not applicable to the company. At present the Company has not identified any element of risk in the Company.

**30. INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS INCLUDING INDEPENDENT DIRECTORS**

The Nomination and Remuneration Committee constituted in compliance with section 178 of the Companies Act, 2013 read with relevant rules framed there under and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has laid down a framework for the evaluation of the performance of the Directors including Independent Directors and the Committees of the Board.

**31. DISCLOSURE OF RELATIONSHIP BETWEEN THE DIRECTORS**

The Directors are not related to each other.

**32. CORPORATE GOVERNANCE**

A Report on Corporate Governance along with a Certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance pursuant to Clause 49 of the listing agreement and Regulation 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with stock exchanges is annexed as “Annexure-C”.



### **33. SECRETARIAL STANDARDS**

The directors state that the applicable secretarial standards, i.e. SS-1 and SS-2 relating to “Meetings of Board of Directors and General Meetings”, respectively have been duly followed by the Company.

### **34. CORPORATE SOCIAL RESPONSIBILITY**

The Company has formulated a CSR Policy pursuant to the provisions of the section 135 of the Companies Act, 2013 read with rules framed thereunder. At present the provisions are not applicable to the company. As and when these provisions become applicable, necessary steps will be taken to comply with the same.

### **35. ACKNOWLEDGEMENTS**

The company has been very well supported from all quarters and therefore your directors wish to place on record their sincere appreciation for the support and co-operation received from Employees, Dealers, Suppliers, Central and State Governments, Bankers and others associated with the Company.

Your Directors wish to thank the banks, shareholders and business associates for their continued support and cooperation. We look forward to receiving the continued patronage from all quarters to become a better and stronger company.

**For and on behalf of the Board of  
Directors  
For Capfin India Limited**

**Rachita Mantry Kabra**

**Whole Time Director**

**DIN: 03414391**

**Sarita Mantry**

**Director**

**DIN: 01111382**

**Place:** Delhi

**Dated:**30.06.2021

**“Annexure – A” to the Board Report**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31<sup>st</sup>, 2021  
*[Pursuant to section 204(1) of the Companies Act, 2013 and rule  
No.9 of the Companies (Appointment and Remuneration Personnel)  
Rules, 2014]*

To,  
The Members,  
Capfin India Limited  
1C/13, Rajnigandha Building  
New Rohtak Road  
Delhi West  
Delhi-110005

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Capfin India Limited** (hereinafter called “**the Company**”). The secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31<sup>st</sup>, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

**I have examined the books, papers, minute books, forms, and returns filed and other records maintained by M/s. Capfin India Limited for the financial year ended on March 31<sup>st</sup>,2021 according to the provisions of:**

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.

- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder.
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. (Not applicable to the company during the Financial Year 2020-2021)
- (v) Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013
- (vi) Industrial Dispute Act, 1947
- (vii) Minimum Wages Act, 1948
- (viii) Negotiable Instrument Act, 1881
- (ix) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. (Not applicable to the company during the Financial Year 2020-21)
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. (Not applicable to the company during the Financial Year 2020-2021)
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (Not applicable to the company during the Financial Year 2020-2021)
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. (Not applicable to the company during the Financial Year 2020-2021)

- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. (Not applicable to the company during the Financial Year 2020-2021)

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

- (a) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretaries of India; and
- (b) The Listing Agreement entered by the Company with the BSE Ltd.
- (c) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

**I further report that:**

The Compliance by the Company of applicable financial laws, like Direct and Indirect Tax Laws, has not been reviewed in Secretarial Audit since the same have been subject to review by Statutory Financial Auditor and other designated professionals.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

I further report that during the audit period, there were no instances of:

- (a) Public/Rights/Preferential Issue of Shares/Debentures/Sweat Equity

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- (b) Redemption/ Buy-back of Securities
- (c) Major decisions taken by the members in pursuant to section 180 of the Companies Act, 2013
- (d) Merger/ Amalgamation/ Reconstruction etc.
- (e) Foreign Technical Collaborations

**For Deepanshi Jain & Associates**  
**Company Secretaries**

**Place: New Delhi**

**Date: 01<sup>st</sup> September, 2021**  
**UDIN: F010651C000875900**

**Sd/-**  
**Deepanshi Jain**  
**Company Secretary**  
**ACS No- 41710**  
**C P No- 14826**

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

**“Annexure-A”**

To,  
The Members,  
Capfin India Limited  
1C/13, Rajnigandha Building  
New Rohtak Road, Delhi West  
Delhi-110005

I report that:

- (a) Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- (b) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
- (c) I have not verified the correctness and appropriateness of the financial statements of the Company.
- (d) I have obtained the management representation about the compliance of laws, rules and regulations, wherever required.
- (e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on a random test basis.
- (f) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- (g) I have conducted online verification & examination of records, as facilitated by the Company, due to Covid 19 and subsequent lockdown situation for the purpose of issuing this Report.

**For Deepanshi Jain & Associates**  
**Company Secretaries**

**Place: New Delhi**  
**Date: 1<sup>st</sup> September 2021**  
**UDIN:F010651C000875900**

**Sd/-**  
**Deepanshi Jain**  
**Company Secretary**  
**ACS No- 41710**  
**C P No- 14826**

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2021**

**Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS:**

|    |  |  |
|----|--|--|
| 1. | CIN  | L74999DL1992PLC048032  |
| 2. | Registration Date  | 16.03.1992   |
| 3. | Name of the Company  | Capfin India Limited   |
| 4. | Category/Sub-category of the Company                                       | Company limited by shares<br>Indian Non-government company   |
| 5. | Address of the Registered office & contact details                         | 1C/13, Rajnigandha Building, New Rohtak Road New Delhi – 110005  |
| 6. | Whether listed company   | Yes  |
|    | Name, Address & contact details of the Registrar & Transfer Agent, if any. | <b>M/s. INDUS PORTFOLIO PRIVATE LTD</b><br>G-65 BALI NAGAR<br>NEW DELHI - 110015<br>Tel No: 47671212/1213/1232<br>Email: <a href="mailto:ippl@indusinvest.com">ippl@indusinvest.com</a><br>Website: <a href="http://www.indusinvest.com">www.indusinvest.com</a> |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)**

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % To total turnover of the company |
|--------|--|---------------------------------|------------------------------------|
| 1      | Granting of Loan Services for business purpose   | 99711359                        | 92.23%                             |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

| S.No. | Name and Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % Of Shares held | Applicable section |
|-------|---------------------------------|---------|--------------------------------|------------------|--------------------|
| 1     | NONE                            |         |                                |                  |                    |
| 2.    |                                 |         |                                |                  |                    |

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**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

| Category of Shareholders                                  | No. of Shares held at the beginning of the year[As on 01 April - 2020] |          |        |                   | No. of Shares held at the end of the year[As on 31-March-2021] |          |        |                   | %Change during the year |
|---|--|----------|--------|-------------------|--|----------|--------|-------------------|-------------------------|
|   | Demat  | Physical | Total  | % Of Total Shares | Demat  | Physical | Total  | % Of Total Shares |                         |
| <b>A. Promoter s</b>                                      |  |          |        |                   |  |          |        |                   |                         |
| <b>(1) Indian</b>   |  |          |        |                   |  |          |        |                   |                         |
| a) Individual/ HUF  | 125710   | 0        | 125710 | 4.39              | 155710   | 0        | 155710 | 5.44              | 1.05                    |
| b) Central Govt   | 0  | 0        | 0      | 0                 | 0  | 0        | 0      | 0                 | NIL                     |
| c) State Govt(s)  | 0  | 0        | 0      | 0                 | 0  | 0        | 0      | 0                 | NIL                     |
| d) Bodies Corp.   | 0  | 0        | 0      | 0                 | 0  | 0        | 0      | 0                 | NIL                     |
| e) Banks / FI   | 0  | 0        | 0      | 0                 | 0  | 0        | 0      | 0                 | NIL                     |
| f) Any other  | 0  | 0        | 0      | 0                 | 0  | 0        | 0      | 0                 | NIL                     |
| <b>Sub Total (A)(1):-</b>                                 | 125710   | 0        | 125710 | 4.39              | 155710   | 0        | 155710 | 5.44              | 1.05                    |
| <b>(2) Foreign</b>  |  |          |        |                   |  |          |        |                   | NIL                     |
| a) NRIs-Individuals                                       | 0  | 0        | 0      | 0                 | 0  | 0        | 0      | 0                 | NIL                     |
| b) Other Individuals                                      | 0  | 0        | 0      | 0                 | 0  | 0        | 0      | 0                 | NIL                     |
| c) Bodies Corp.   | 0  | 0        | 0      | 0                 | 0  | 0        | 0      | 0                 | NIL                     |
| d) Banks / FI   | 0  | 0        | 0      | 0                 | 0  | 0        | 0      | 0                 | NIL                     |
| e) Any Other....  | 0  | 0        | 0      | 0                 | 0  | 0        | 0      | 0                 | NIL                     |
| <b>Sub-total (A) (2):-</b>                                | 0  | 0        | 0      | 0                 | 0  | 0        | 0      | 0                 | NIL                     |
| <b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b> | 125710   | 0        | 125710 | 4.39              | 155710   | 0        | 155710 | 5.44              | 1.05                    |
| <b>B. Public Shareholding</b>                             |  |          |        |                   |  |          |        |                   |                         |
| 1. Institutions   | 0  | 0        | 0      | 0                 | 0  | 0        | 0      | 0                 | NIL                     |
| a) Mutual Funds   | 0  | 0        | 0      | 0                 | 0  | 0        | 0      | 0                 | NIL                     |
| b) Banks / FI   | 0  | 0        | 0      | 0                 | 0  | 0        | 0      | 0                 | NIL                     |
| c) Central Govt   | 0  | 0        | 0      | 0                 | 0  | 0        | 0      | 0                 | NIL                     |
| d) State Govt(s)  | 0  | 0        | 0      | 0                 | 0  | 0        | 0      | 0                 | NIL                     |
| e) Venture Capital Funds                                  | 0  | 0        | 0      | 0                 | 0  | 0        | 0      | 0                 | NIL                     |
| f) Insurance  | 0  | 0        | 0      | 0                 | 0  | 0        | 0      | 0                 | NIL                     |



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|  |         |        |         |         |         |        |         |         |        |
|--|---------|--------|---------|---------|---------|--------|---------|---------|--------|
| h) Foreign Venture Capital Funds   | 0       | 0      | 0       | 0       | 0       | 0      | 0       | 0       | NIL    |
| i) Others (specify)  | 0       | 0      | 0       | 0       | 0       | 0      | 0       | 0       | NIL    |
| <b>Sub-total (B)(1):-</b>  | 0       | 0      | 0       | 0       | 0       | 0      | 0       | 0       | NIL    |
| <b>2. Non-Institutions</b>   |         |        |         |         |         |        |         |         |        |
| a) Bodies Corp.  |         |        |         |         |         |        |         |         |        |
| i) Indian  | 390820  | 0      | 390820  | 13.64   | 390820  | 0      | 390820  | 13.64   | Nil    |
| ii) Overseas   | 0       | 0      | 0       | 0       | 0       | 0      | 0       | 0       | 0      |
| b) Individuals<br>i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 102709  | 90900  | 193609  | 6.75%   | 77151   | 90900  | 168051  | 5.87    | (0.89) |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh           | 1986739 | 35300  | 2022039 | 70.58   | 2096941 | 35300  | 2132241 | 74.42   | 3.84   |
| c) Others (specify)  |         |        |         |         |         |        |         |         |        |
| d) Hindu Undivided Family  | 106122  | 0      | 106122  | 3.70    | 0       | 0      | 0       | 0       | (3.70) |
| Non-Resident Indians   |         |        |         |         |         |        |         |         | 0      |
| Clearing Members/ Custodian  | 26400   | 0      | 26400   | 0.92    | 17878   | 0      | 17878   | 0.62    | (0.30) |
| Trusts   | 0       | 0      | 0       | 0       | 0       | 0      | 0       | 0       | 0      |
| Foreign Bodies - D R   | 0       | 0      | 0       | 0       | 0       | 0      | 0       | 0       | 0      |
| <b>Sub-total (B)(2):-</b>  | 2612790 | 126200 | 2738990 | 95.61   | 2582790 | 126200 | 2708990 | 94.56   | (1.05) |
| <b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>  | 2612790 | 126200 | 2738990 | 95.61   | 2582790 | 126200 | 2708990 | 94.56   | (1.05) |
| C. Shares held by Custodian for GDRs & ADRs  | 0       | 0      | 0       | 0       | 0       | 0      | 0       | 0       | 0      |
| <b>Grand Total (A+B+C)</b>   | 2738500 | 126200 | 0       | 2864700 | 2738500 | 126200 | 0       | 2864700 | 0      |

**ii) Shareholding of Promoter: -**

| SN | Shareholder's Name | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |   | % Change in shareholding during the year |
|----|--------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|---|--|
|    |                    | No. of Shares                             | % Of total Shares of the company | % Of Shares Pledged / encumbered to total shares | No. of Shares                       | % Of total Shares of the company | %Of Shares Pledged / encumbered to total shares |  |
| 1  | <b>Sarita Devi</b> | 125710                                    | 4.39                             | NIL  | 155710                              | 5.44                             | 1.05  | 0  |
|    | <b>TOTAL</b>       | 125710                                    | 4.39                             |  | 155710                              | 5.44                             | 1.05  | 0  |

**iii) Change in Promoters' Shareholding (please specify, if there is no change)**

| SN | Particulars                  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|----|------------------------------|---|----------------------------------|---|----------------------------------|
|    |                              | No. of shares                             | % Of total shares of the company | No. of shares                           | % Of total shares of the company |
|    | At the beginning of the year | 125710                                    | 4.39                             | 125710                                  | 4.39                             |
|    | Add: Addition in Shares      | 30000                                     | 1.05                             | 155710                                  | 5.44                             |
|    | At the end of the year       | 155710                                    | 5.44                             | 155710                                  | 5.44                             |

**iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

| SN  | For Each of the Top 10 Shareholders         | Shareholding at the beginning of the year |                                  | Shareholding at the end of the year |                                  |
|-----|---|---|----------------------------------|-------------------------------------|----------------------------------|
|     |   | No. of shares                             | % of total shares of the company | No. of shares                       | % of total shares of the company |
| 1.  | Focus Stock Brokers Ltd                     | 226200                                    | 7.90                             | 226200                              | 7.90                             |
| 2.  | Jagjeet Kaur Malik                          | 111600                                    | 3.90                             | 111600                              | 3.90                             |
| 3.  | Mantri Leasing & Financial Service Pvt. Ltd | 93600                                     | 3.27                             | 93600                               | 3.27                             |
| 4.  | Ramesh Chandra Pachisia                     | 82600                                     | 2.88                             | 82600                               | 2.88                             |
| 5.  | Mantri Capital Services Ltd                 | 65000                                     | 2.27                             | 65000                               | 2.27                             |
| 6.  | Meghana Kabra                               | 62700                                     | 2.18                             | 62700                               | 2.18                             |
| 7.  | Gopal Krishna Maheshwari                    | 58773                                     | 2.05                             | 58773                               | 2.05                             |
| 8.  | Siddharth Kabra                             | 58000                                     | 2.02                             | 58000                               | 2.02                             |
| 9.  | Anil Kumar Toshniwal                        | 53067                                     | 1.85                             | 53067                               | 1.85                             |
| 10. | Sushila devi Mantry                         | 52480                                     | 1.83                             | 52495                               | 1.83                             |

**v) Shareholding of Directors and Key Managerial Personnel:**

| SN | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the Year |                                  |
|----|--|---|----------------------------------|---|----------------------------------|
|    |  | No. of shares                             | % Of total shares of the company | No. of shares                           | % Of total shares of the company |
| 1. | Rachita Mantry Kabra   | 25990                                     | 0.90                             | 25990                                   | 0.90                             |
| 2. | Sarita Mantry  | 125710                                    | 4.39                             | 155710                                  | 5.44                             |

**V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

|  | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |          |                    |
| i) Principal Amount  | 30,00,000                        | ----            | ----     | ----               |
| ii) Interest due but not paid                              | 11,40,000                        | ----            | ----     | ----               |
| iii) Interest accrued but not due                          | ----                             | ----            | ----     | ----               |
| <b>Total (i+ii+iii)</b>                                    | ----                             | ----            | ----     | ----               |
| <b>Change in Indebtedness during the financial year</b>    | ----                             | ----            | ----     | ----               |
| * Addition   | ----                             | ----            | ----     | ----               |
| * Reduction  | ----                             | ----            | ----     | ----               |
| <b>Net Change</b>  | ----                             | ----            | ----     | ----               |
| <b>Indebtedness at the end of the financial year</b>       | ----                             | ----            | ----     | ----               |
| i) Principal Amount  | 30,00,000                        | ----            | ----     | ----               |
| ii) Interest due but not paid                              | 11,40,000                        | ----            | ----     | ----               |
| iii) Interest accrued but not due                          | ----                             | ----            | ----     | ----               |
| <b>Total (i+ii+iii)</b>                                    | 41,40,000                        | ----            | ----     | ----               |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

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

| SN. | Particulars of Remuneration   | Name of MD/WTD/ Manager  |      |      |     | Total Amount |
|-----|---|--------------------------|------|------|-----|--------------|
|     |   | Rachita Mantry Kabra WTD | ---- | ---- | --- |              |
| 1   | Gross salary  | 144000                   |      |      |     | 144000       |
|     | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | -                        | -    | -    | -   | -            |
|     | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -                        | -    | -    | -   | -            |
|     | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | -                        | -    | -    | -   | -            |
| 2   | Stock Option  | -                        | -    | -    | -   | -            |
| 3   | Sweat Equity  | -                        | -    | -    | -   | -            |
| 4   | Commission<br>- as % of profit<br>- others, specify...                              | -                        | -    | -    | -   | -            |
| 5   | Others, please specify  | -                        | -    | -    | -   | -            |
|     | <b>Total (A)</b>  | 144000                   | -    | -    | -   | 144000       |
|     | Ceiling as per the Act  | -                        | -    | -    | -   | -            |

**B. Remuneration to other directors**

| SN. | Particulars of Remuneration                | Name of Directors |      |      |     | Total Amount |
|-----|--|-------------------|------|------|-----|--------------|
|     |  | ----              | ---- | ---- | --- |              |
| 1   | Independent Directors                      | -                 | -    | -    | -   | -            |
|     | Fee for attending board committee meetings | -                 | -    | -    | -   | -            |
|     | Commission                                 | -                 | -    | -    | -   | -            |
|     | Others, please specify                     | -                 | -    | -    | -   | -            |
|     | Total (1)                                  | -                 | -    | -    | -   | -            |
| 2   | Other Non-Executive Directors              | -                 | -    | -    | -   | -            |
|     | Fee for attending board committee meetings | -                 | -    | -    | -   | -            |
|     | Commission                                 | -                 | -    | -    | -   | -            |
|     | Others, please specify                     | -                 | -    | -    | -   | -            |
|     | Total (2)                                  | -                 | -    | -    | -   | -            |
|     | Total (B)=(1+2)                            | -                 | -    | -    | -   | -            |
|     | Total Managerial Remuneration              | -                 | -    | -    | -   | -            |
|     | Overall Ceiling as per the Act             | -                 | -    | -    | -   | -            |

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

| SN | Particulars of Remuneration   | Key Managerial Personnel |                             |                                   |        |
|----|---|--------------------------|-----------------------------|-----------------------------------|--------|
|    |   | CEO                      | CS<br>Priyanka<br>Chaudhary | CFO<br>Rachita<br>Mantry<br>Kabra | Total  |
| 1  | Gross salary  |                          |                             |                                   |        |
|    | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | -                        | 120000                      | 96000                             | 216000 |
|    | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -                        | -                           | -                                 | -      |
|    | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -                        | -                           | -                                 | -      |
| 2  | Stock Option  | -                        | -                           | -                                 | -      |
| 3  | Sweat Equity  | -                        | -                           | -                                 | -      |
| 4  | Commission  | -                        | -                           | -                                 | -      |
|    | - as % of profit  | -                        | -                           | -                                 | -      |
|    | others, specify...  | -                        | -                           | -                                 | -      |
| 5  | Others, please specify  | -                        | -                           | -                                 | -      |
|    | Total   | -                        | 120000                      | 96000                             | 216000 |

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |   |                              |                                    |
| Penalty                             |                              |                   |   |                              |                                    |
| Punishment                          |                              |                   | NONE  |                              |                                    |
| Compounding                         |                              |                   |   |                              |                                    |
| <b>B. DIRECTORS</b>                 |                              |                   |   |                              |                                    |
| Penalty                             |                              |                   |   |                              |                                    |
| Punishment                          |                              |                   | NONE  |                              |                                    |
| Compounding                         |                              |                   |   |                              |                                    |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |   |                              |                                    |
| Penalty                             |                              |                   |   |                              |                                    |
| Punishment                          |                              |                   | NONE  |                              |                                    |
| Compounding                         |                              |                   |   |                              |                                    |

## **CORPORATE GOVERNANCE REPORT**

### **I. Company's Philosophy on Corporate Governance**

The Board of Directors believes that the Code prescribes only a minimum framework for governance of a business in corporate framework. The Board's philosophy is to develop this desired minimum framework and institutionalize the spirit it entails. This will lay the foundation for further development of superior governance practices, which are vital for growing a successful business, creating sustainable long-term shareholder value, and balancing it with the interests of other stakeholders in the Company. The Board recognizes that transparency; disclosure, financial controls and accountability are the pillars of any good system of corporate governance.

A report on the implementation of the code of Corporate Governance as per Regulation 17 to 27 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 of the Listing Agreement is given below:

### **II. Board of Directors**

#### **A. BOARD'S COMPOSITION AND CATEGORY**

At present, the Board comprises of Four directors. Out of four, out of which two directors are independent directors and one (1) whole time director and one (1) promoter and non-executive director. The Company has a Non-Executive Chairman, and the two Independent Directors comprise at least one third of the total strength of the Board. All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under the Regulation 17 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 of the Listing Agreement and Section 149 of the Act

None of the Directors on the Company's Board is a member of more than ten Committees and Chairman of more than five Committees [Committees being, Audit Committee and Stakeholder Relationship Committee (Erstwhile Investors' Grievance Committee), Nomination and Remuneration Committee] across all the Indian public limited companies in which he/she is a director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than twenty companies, including ten public companies.

None of the directors has any pecuniary relationship with the company except sitting fees for attending Board/Committee meetings from the company.

None of the present directors are “Relative” of each other as defined in Section 2 (77) of Companies Act, 2013 and Rule 4 of the companies (Specification of definitions details) Rule 2014.

The composition and overall attendance of the Board of Directors during the last financial year is stated in table below:

| Name                     | Designation                 | Date of appointment/ re-appointment | No. of Board Meetings of the Company\$ |                          | Last AGM attended | No. of other directorship and committee membership and chairmanship^^ |                           |                            |                       |
|--------------------------|-----------------------------|-------------------------------------|--|--------------------------|-------------------|---|---------------------------|----------------------------|-----------------------|
|                          |                             |                                     | Held during the year                   | Attended during the year |                   | Attended the last AGM   | Other Board Director ship | Other Board Chair man ship | Committee Member Ship |
| Ms. Rachita Mantry Kabra | Whole Time Director         | 29/09/2015/28-09-2020               | 9                                      | 9                        | Yes               | Nil   | Nil                       | Nil                        | Nil                   |
| Ms. Sarita Mantry        | Non-Executive & Promoter    | 03/02/2018                          | 9                                      | 9                        | Yes               | 1   | Nil                       | Nil                        | Nil                   |
| Mr. Ashok Mohta          | Independent Director        | 18/06/2019                          | 9                                      | 9                        | Yes               | Nil   | Nil                       | Nil                        | Nil                   |
| Mr. Sanjay Kukreja       | Non-Executive & Independent | 25/08/2020                          | 9                                      | 9                        | Yes               | 1   | 1                         | 1                          | 1                     |

\$ Private Limited Companies, Foreign Companies, Alternate Directorships and are excluded for the above purpose

\*\*The Committee considered for the above purpose are those prescribed in the Listing Agreement i.e. Audit Committee and Shareholders' / Investors' Grievance Committee, Nomination and Remuneration committee.

## **B. CORE SKILL/EXPERTISE/COMPETENCIES**

As stipulated under Schedule V of the SEBI Listing Regulations, core skills/expertise/competencies, as required in the context of the business and sector for it to function effectively and those available with the Board have been identified by the Board of Directors.

| S.No. | Name of the director | Designation          | Core Skills/Expertise/Competencies of directors  |
|-------|----------------------|----------------------|--|
| 1     | Sarita Mantry        | Director             | <input type="checkbox"/> Leadership Qualities<br><input type="checkbox"/> Diversity<br><input type="checkbox"/> Board Service and Governance   |
| 2     | Rachita Mantry Kabra | Whole Time Director  | <input type="checkbox"/> Leadership qualities<br><input type="checkbox"/> Industry knowledge and experience<br><input type="checkbox"/> Financial expertise<br><input type="checkbox"/> Risk Management<br><input type="checkbox"/> Understanding of relevant laws, rules, regulation and policy |
| 3     | Sanjay Kukreja       | Independent Director | <input type="checkbox"/> Leadership qualities<br><input type="checkbox"/> Human Resources & Industrial Relations<br><input type="checkbox"/> Corporate Governance & Ethics and Regulatory sectors  |
| 4     | Ashok Mohta          | Independent Director | <input type="checkbox"/> Leadership qualities<br><input type="checkbox"/> Management and Strategy<br><input type="checkbox"/> Financial Matters<br><input type="checkbox"/> Diversity  |

**C. BOARD MEETINGS AND ATTENDANCE**

Your Company's Board met 9 times during the period and details of the meetings are highlighted below the Dates of Board Meetings are fixed in advance and agenda papers are circulated to Directors generally one week before the meeting. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussion at the meeting.

During the year the 2020-2021, the Board met Nine(09) times as per the detail:

| <b>S. No.</b> | <b>Date of Board meeting</b> |
|---------------|------------------------------|
| 1.            | 20.05.2020                   |
| 2.            | 31.07.2020                   |
| 3.            | 14.08.2020                   |
| 4.            | 25.08.2020                   |
| 5.            | 05.09.2020                   |
| 6.            | 27.09.2020                   |
| 7.            | 06.10.2020                   |
| 8.            | 11.11.2020                   |
| 9.            | 06.02.2021                   |

**i. Shareholding Of Non-Executive Directors**

| <b>Name of Director</b> | <b>Number of Shares</b> |
|-------------------------|-------------------------|
| Mrs. Sarita Mantry      | 155710                  |
| Mr. Ashok Mohta         | NIL                     |
| Mr. Sanjay Kukreja      | NIL                     |

**ii. Non-Executive Directors' Compensation**

No fees or compensation is paid to any non- executive director during the financial year ended on March 31, 2021.

**iii. Information supplied to Board**

The Board of Directors has complete access to any information within the Company. At the Board meetings, the Directors are provided with all relevant information matters including the matters specified in Regulation 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**iv. Details of Remuneration paid to the Directors as per Regulation 19(4) of SEBI (Listing Obligations and disclosure Requirements) Regulations 2015 during the financial year 2020-2021.**

| <b>Name of the Director</b> | <b>Category</b>                     | <b>Amount (in Rs.)</b> |
|-----------------------------|-------------------------------------|------------------------|
| Rachita Mantry Kabra        | WTD and CFO                         | 240000/-               |
| Sarita Mantry               | Non-Executive Director and Promoter | Nil                    |
| Sanjay Kukreja              | Non-Executive and Independent       | Nil                    |
| Ashok Mohta                 | Non-Executive and Independent       | Nil                    |

### III. COMMITTEES OF THE BOARD

#### AUDIT COMMITTEE:

The constituted Audit Committee of Directors which has the powers similar to those stated in the listing Agreement and the term of reference and role of the Audit Committee are as per the guidelines set out in the Listing Agreement entered into with the Stock Exchanges read with Section 177 of the Companies Act, 2013 and includes such other functions as may be assigned to it by board from time to time. The minutes of meeting of Audit committees are placed before the Board.

#### **i) Composition of Audit Committee**

As per listing agreement at least two-third of the members of Audit Committee shall be Independent Directors. The Audit Committee of the Board of your Company comprises of three members for the financial year end 31.03.2021. All members of audit committee are financially literate. Mr. Sanjay Kukreja has an accounting and related financial management expertise. The Statutory auditors of the company also attend the meetings.

| <b>Name of Members</b> | <b>Designation</b> | <b>Status/ Position</b>                    |
|------------------------|--------------------|--|
| Mr. Sanjay Kukreja     | Chairman           | Non-Executive and Independent and Chairman |
| Ms. Sarita Mantry      | Member             | Non-Executive and Promoter                 |
| Mr. Ashok Mohta        | Member             | Non-Executive and Independent              |

#### **ii) No. of meeting and attendance at meetings**

During the year the Audit Committee meeting held as per the detail given below:

| <b>S No.</b> | <b>Date of Meeting</b>         | <b>Attendance</b>                                      |
|--------------|--------------------------------|--|
| 1            | 18 <sup>th</sup> May, 2020     | Mr. Sanjay Kukreja, Mrs. Sarita Mantry, Mr Ashok Mohta |
| 2            | 31 <sup>st</sup> July 2020     | Mr. Sanjay Kukreja, Mrs. Sarita Mantry, Mr Ashok Mohta |
| 3            | 07 <sup>th</sup> August 2020   | Mr. Sanjay Kukreja, Mrs. Sarita Mantry, Mr Ashok Mohta |
| 4            | 08 <sup>th</sup> November 2020 | Mr. Sanjay Kukreja, Mrs. Sarita Mantry, Mr Ashok Mohta |
| 5            | 31 <sup>st</sup> January 2021  | Mr. Sanjay Kukreja, Mrs. Sarita Mantry, Mr Ashok Mohta |



**iii) Powers and role of audit committee and review of information by it:**

The audit committee was reconstituted in accordance with the provisions of Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 of listing agreement. The major tasks performed by the audit committee may be grouped under the following heads:

Statutory audit, internal audit, reporting and other aspects

- i. The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The Committee acts as a link between the Management, Auditors and the Board of Directors of the Company and has full access to the financial Information.
- ii. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible and ensuring timely submission to statutory authorities.
- iii. To review the Management Discussion & Analysis of financial and operational performance.
- iv. To review with the management, the quarterly financial statements and annual financial statements and auditor's report thereon before submission to the board for approval.
- v. To review the adequacy and effectiveness of the company's system and internal control.
- vi. Evaluation of internal financial controls and risk management systems.
- vii. To review the functioning of the Whistle Blower mechanism.

**NOMINATION AND REMUNERATION COMMITTEE**

A Committee has been constituted by the Board of Directors consisting of Mr. Sanjay Kukreja and Mr. Ashok Mohta, non-executive and Independent Directors and Mrs. Sarita Mantry, as Promoter and Non-Executive Director, as its members. Mr. Sanjay Kukreja acts chairman of the meeting.

The terms of reference of the committee are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

The remuneration policy as adopted by the company envisages payment of remuneration according to qualification, experience, and performance at different levels of the organization. The employees rendering clerical, administrative and professional services are suitably remunerated according to the industry norms. Although remuneration is paid to only Rachita Mantry Kabra as Whole Time Director.

#### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

In compliance with the Listing Agreement requirements and provisions of the Companies Act, 2013, the Company has a Stakeholders' Relationship Committee (formerly known as Shareholders Grievance Committee). The Committee comprises three members including two Independent Directors. A Committee has been constituted by the Board of Directors consists of Mr. Sanjay Kukreja, Mrs. Sarita Mantry and Mrs. Ashok Mohta non-executive Directors as its members. Mr. Sanjay Kukreja acts chairman of the meeting.

The Committee performs following functions:

- (i) Transfer/Transmission of shares.
- (ii) Issue of Duplicate Share Certificates.
- (iii) Review of Share dematerialization and rematerialization.
- (iv) Monitoring the expeditious Redressal of Investor Grievances.
- (v) Monitoring the performance of company's Registrar & Transfer Agent.
- (vi) All other matters related to the shares.

During the year under review, the Company has not received any complaints.

#### **INDEPENDENT DIRECTORS' MEETING**

During the year under review, the Independent Directors met on 28<sup>th</sup> March 2021, inter alia to discuss:

- i. Review the performance of non-independent directors and the Board as a whole.
- ii. Review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors.

iii. Assess the quality, quantity, and timeliness of flow of information between the company management and the Board that is necessary for the Board to perform their duties effectively and reasonably.

### **RE- APPOINTMENT OF DIRECTORS**

The company has received declarations from the independent directors of the company confirming that they **meet the criteria of independence as prescribed both under section 149(6) of the companies act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 of the Listing Agreement.**

In accordance with the requirements of the Act and the Articles of Association of the Company, Mrs.Sarita Mantry (DIN:01111382)retires by rotation and is eligible for re-appointment.

### **SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATES**

The Company does not have any subsidiary company, joint venture, and associate as on 31.03.2021.

### **GENERAL BODY MEETINGS**

The Detail of the Annual General Meetings (AGM) held during the last three years is as under:

| <b>Financial Year Ended</b>  | <b>Date</b>                      | <b>Time</b> | <b>Venue</b>   |
|------------------------------|----------------------------------|-------------|--|
| 31 <sup>st</sup> March, 2020 | 27 <sup>th</sup> September, 2020 | 12.00 P.M   | Through Video Conferencing (VC) or Other Audio-Visual Means (OVAM)                 |
| 31 <sup>st</sup> March, 2019 | 26 <sup>th</sup> September, 2019 | 10.00 A.M   | HR-36, Gali No.10, First Floor, Anand Parbat, Industrial Area, New Delhi - 110005. |
| 31 <sup>st</sup> March, 2018 | 25 <sup>th</sup> September, 2018 | 11.00 A.M   | HR-36, Gali No.10, First Floor, Anand Parbat, Industrial Area, New Delhi - 110005. |

### **SPECIAL RESOLUTIONS PASSED AT THE LAST THREE AGMS**

No special resolution was passed in last three AGMs

### **AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

A certificate has been obtained from the auditors of the Company regarding compliance with the provisions relating to Corporate Governance laid down in Regulation 34 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 with the stock exchanges. The same is annexed to this report.

## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

The Management discussion and Analysis Report is a part of the Director Report.

## **CODE OF CONDUCT**

The Board of Directors of the Company has adopted Code of Business Conduct and Ethics in term of requirement of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements), 2015. The company has laid down a code of conduct for all the Board Members and Senior Management Personnel. All Board Members and Senior Management Personnel have confirmed compliance with the said code of conduct for the financial year ended 31<sup>st</sup> March, 2021. The declaration to this effect signed by Mrs.Rachita Mantry Kabra, director, forms part of the report.

## **CEO/CFO CERTIFICATION**

As required Regulation 17(8) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 by the of the Listing Agreement, Mrs.Rachita Mantry Kabra, Director, certified the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial year ending on 31.03.2021 and is hereby enclosed.

## **AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

A certificate has been obtained from the auditors of the Company regarding compliance with the provisions relating to Corporate Governance laid down in Regulation 34 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 with the stock exchanges. The same is annexed to this report.

## **DISCLOSURES**

- i. Disclosures on materially significant related party transactions that may have Potential conflict with the interest of the Company at large.**  
**Transactions with related parties if any are disclosed elsewhere in the Balance Sheet forming part of this Annual Report.**
  
- ii. Details of non-compliance by the Company**  
**The Company has complied with all the requirements of the Listing Agreement of the Stock Exchange as well as regulations and guidelines issued by SEBI. Hence, neither any penalty nor any stricture has been imposed by SEBI, Stock Exchange or any other Statutory Authority on any matter relating to capital markets during the last three years.**

Or

There have been instances of receiving notice with regard to non – compliances by the Company and imposing of penalties and strictures on the company by stock exchange which have been resolved to the benefit of the stock exchange, however, there were no instances of receiving notice with regard to non – compliances by the Company and imposing of penalties and strictures on the company by SEBI or any statutory authority or on any matter related to capital markets, during the last three years.

**iii. There has been a whistle blower policy and no personnel have been denied access to the audit committee**

**Whistleblower Policy**

Capfin India Limited is firmly committed to conducting its business and relationships with all stakeholders including employees, customers, shareholders and business associates in a manner that is lawful and ethically responsible and at all times, in a way that reflects the Company's values. It will not tolerate attitudes or activities that constitute a breach of law or trust or infringe collective or individual liberties in any way. This approach is described in the Company's Code of Conduct & Ethics. The Whistleblower policy formalizes Capfin's commitment to enabling employees and business associates to make fair and prompt disclosure of circumstances where it is genuinely believed that a part of Capfin's business is engaged in inappropriate practices and that the Code of Conduct & Ethics is being violated. The policy sets out arrangements that encourage individuals to report concerns about unethical behavior, actual or suspected fraud or violations of the Code of Conduct & Ethics, knowing that in so doing, they are acting in the best interests of all Capfin stakeholders. This policy also ensures that the whistleblower will be protected from retaliation and reprisal.

**Confidentiality**

The Company will treat all such disclosures in a sensitive manner and will endeavor to keep the identity of an individual making an allegation confidential. However, the investigation process may inevitably reveal the source of the information and the individual, making the disclosure may need to provide a statement which cannot be kept confidential if legal proceedings arise.

**Protection against retaliation**

Capfin commits to ensure that no retaliatory action, of any sort, will take place against any employee or business associate making a disclosure in good faith.

**Reporting**

The Compliance Officer, the Director, the Chairman of the Audit Committee or the Chairman of the Board will be responsible for reporting any whistle blowing disclosures to the Audit Committee

**iv. Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements**

**The Company confirms that it has fully complied with all mandatory requirements of Regulation 17 to 27 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 of the Listing Agreement relating to Corporate Governance.**

**The status of compliance with non-mandatory requirements of Regulation 17 to 27 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 of the Listing Agreement are as detailed hereunder:**

**a) Board - There was no fixed tenure for the Independent Directors as per Listing Agreement. However as per Companies Act, 2013 the independent directors have been appointed for a period of 5 consecutive years.**

**b) Remuneration Committee- The Company has constituted Nomination & Remuneration Committee as per Companies Act, 2013.**

**c) Shareholders' Rights- The quarterly financial results are published in the newspapers as mentioned under the heading "Means of Communication". The results are not separately circulated to the shareholders.**

**d) Audit qualifications- There are no audit qualifications in the Company's financial statements for the year under reference.**

**E) Disclosure of Accounting Treatment - The Company has followed the Guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.**

**f) Subsidiary Companies: The provisions relating to the subsidiary companies are not applicable to the company as the company does not have any subsidiary company.**

**g) Management: Detailed report on Management Discussion and Analysis (MD & A) forms part of the Directors Report.**

**h) Risk Assessment: The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that board controls risk through means of a properly defined framework.**

**i) Utilization of proceeds from Preferential Issue: No proceeds have been received through public issue, right issue and preferential issue, etc. during the financial year ending on March 31, 2021.**

## **MEANS OF COMMUNICATION**

The primary source of information regarding the operations of the company is its website- [www.capfinindia.com](http://www.capfinindia.com). The Company has promptly reported all material information including the declaration of quarterly financial results to all the Stock Exchanges, where the equity shares of the Company are listed.

During the year, quarterly, half-yearly and annual financial results of the Company were submitted to the stock exchanges soon after the Board Meeting approved these and were also published in the leading newspapers – English and Vernacular newspaper and displayed on company website.

## **GENERAL SHAREHOLDER INFORMATION**

### **a) Annual General Meeting to be held**

|             |   |
|-------------|---|
| Date & Time | Thursday, 30 <sup>th</sup> Day of September 2021 at 5:00 pm |
| Venue       | Video Conferencing / Other Audio-Visual Means               |

### **b) Tentative Financial Calendar for the year 2021-20:**

|   |                              |
|---|------------------------------|
| Financial year                                  | 1-April to 31-March          |
| First Quarter results                           | Second week of August 2021   |
| Half Yearly results                             | Second week of November 2021 |
| Third Quarter results                           | Second week of January 2022  |
| Results for year-end * & Disclosure of Interest | Second week of May, 2022     |

### **c) Date of Book Closure**

24<sup>th</sup> September 2021 to 30<sup>th</sup> September 2021 (both days inclusive)

### **d) Dividend payment Date**

**Due to insufficiency of funds, Directors of your company are unable to pay any dividend for this financial year.**

### **e) Listing on Stock Exchanges**

The company declares its equity shares are listed on BSE Ltd. The Company has paid the annual listing fee for the financial year 2020-21 to the said exchange.

**f) Stock/Company/Security**

Dematerialization international security identification number in NSDL & CDSL for equity shares: INE960C01013

**g) Market Price Data:**

The last traded price of company is Rs4.76/- as on 31<sup>st</sup> March 2021

**h) M/s Rag and Associates (Firm Reg No. 008653C) are the Statutory Auditors of the Company. The particulars of payment of Statutory Auditor fee's, on consolidated basis given below:**

| <b>Particulars</b>            | <b>Amount</b> |
|-------------------------------|---------------|
| Service as Statutory Auditors | 10,000/-      |
| Tax Auditor                   | -             |
| Other Tax Matters             | -             |

**i) Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

|  |   |
|--|---|
| Number of Complaints filed during the financial year         | 0 |
| Number of Complaints disposed off during the financial year  | 0 |
| Number of Complaints pending as on end of the financial year | 0 |

**j) Registrar and Transfer Agent**

The Company has appointed M/s. **Indus Portfolio Private Limited** as Registrar to Transfer Agent who can handle share transfer work in physical form and other related activities.

The address of the Registrar and Transfer agent of our company is:

**M/s. INDUS PORTFOLIO PRIVATE LTD**

G-65 BALI NAGAR

NEW DELHI - 110015

Tel No: 47671212/1213/1232

Email: [ippl@indusinvest.com](mailto:ippl@indusinvest.com)

[Website: www.indusinvest.com](http://www.indusinvest.com)



### k) Share Transfer System

The Company's shares are transferable through the depository system. However, the shares in physical form are processed by the registrar & Transfer Agent and approved by the shareholders/ Investor's grievance Committee. The Share Transfer process is reviewed by the said Committee. The Share Transfer in physical form is presently processed within a period of 15 days from the date of receipt. Shareholders may contact the Company's Registrar and Share Transfer Agent (for both physical and demat segments) at their address for any assistance regarding dematerialization of shares, share transfers, transmission, change of address, non-receipt of annual report and any other query relating to the shares of the Company:

### l) Distribution of Shareholding:

The shareholding distribution of equity shares as on 31<sup>st</sup> March 2021 given below:

| Sr. No.      | Holding of Nominal Value of Rs. | No. of share holders | % Of Total Shareholders | No. of shares  | % Of total    |
|--------------|---------------------------------|----------------------|-------------------------|----------------|---------------|
| 1.           | 1-100                           | 80                   | 24.46                   | 1709           | 0.06          |
| 2.           | 101-500                         | 129                  | 39.45                   | 43778          | 1.53          |
| 3.           | 501-1000                        | 7                    | 2.14                    | 5294           | 0.18          |
| 4.           | 1001-5000                       | 24                   | 7.34                    | 44220          | 1.54          |
| 5.           | 5001-10000                      | 9                    | 2.75                    | 79070          | 2.76          |
| 6.           | 10001-50000                     | 66                   | 20.18                   | 1619924        | 56.55         |
| 7.           | 50001-100000                    | 9                    | 2.75                    | 577195         | 20.15         |
| 8.           | 100001-500000                   | 3                    | 0.92                    | 493510         | 17.23         |
| <b>TOTAL</b> |                                 | <b>327</b>           | <b>100</b>              | <b>2864700</b> | <b>100.00</b> |

### Shareholding pattern as on 31<sup>st</sup> March 2021:

| Description of Investors   | No. of shares held | % Of shareholding |
|--|--------------------|-------------------|
| Promoters  | 155710             | 5.44              |
| Financial Institutions, Insurance Companies Banks, and Mutual Funds etc.       | 0                  | 0.00              |
| Foreign Institutional Investors  | 0                  | 0.00              |
| Bodies Corporate   | 390820             | 13.64             |
| NRIs/ OCBs   | 0                  | 0.00              |
| Clearing Member  | 17878              | 0.62              |
| Indian Public:-  | 528703             | 18.46             |
| i) Individual shareholders holding Nominal share capital up to Rs. 2lacs.      |                    |                   |
| ii) Individual shareholders holding nominal share capital more than Rs. 2lacs. | 1771589            | 61.84             |
| Others   | 0                  | 0                 |
| <b>Total</b>   | <b>28,64,700</b>   | <b>100 %</b>      |

**a) Dematerialization of shares and liquidity**

The Company shares can now be traded in dematerialized form and have to be delivered in the dematerialized form to all Stock Exchanges. To enable shareholders an easy access to the demat system, the Company has executed agreements with Depositories namely National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd (CDSL).

**b) Investors' Correspondence may be addressed to:**

The name and designation of the Compliance Officer is Mrs.Priyanka Chaudhary, Company Secretary of the company. The shareholders can get in touch with compliance officer on all legal and Secretarial matters relating to the company.

**Address for Communication/Registered Office:**

**M/s CAPFIN INDIA LIMITED**  
**1C/13, Rajnigandha Building, New Rohtak Road, Delhi - 110005**

**Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity**

Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity are not applicable on the company.

**Plant locations**

Not Applicable

**For and on behalf of the Board  
of Directors  
For Capfin India Limited  
CIN: L74999DL1992PLC048032**

**Date:26.08.2021**  
**Place: New Delhi**

**Rachita Mantry Kabra**  
**Whole Time Director**  
**(DIN: 03414391)**

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT**

As required by Regulation 17(5) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 of the Listing Agreement with the Stock Exchanges, this is to confirm that the Company has adopted a Code of Conduct and Ethics for all Board Members and Senior Management of the Company. The Code is available on the Company's website. I further confirm that the Company has in respect of the financial year ended 31 March 2021, received from all the Board Members and Senior Management of the Company, a declaration of compliance with the Code, as applicable to them. For the purpose of this declaration, Senior Management Team shall mean heads of the various functions of the Company.

**For Capfin India Limited**

**Place: Delhi**

**Date: 30.06.2021**

**Rachita Mantry Kabra**  
**Whole Time Director**  
**Din: 03414391**

**Declaration by Mrs.Rachita Mantry Kabra, Director, under Regulation 17 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 of the Listing Agreement regarding compliance with code of Conduct**

In accordance with Regulation 17 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 of the Listing Agreement, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with code of Conduct, as applicable to them, for the Financial Year ended on March 31, 2021.

**Date:30.06.2021**

**Place: New Delhi**

**Rachita Mantry Kabra**  
**Director**  
**(DIN:03414391)**

**Certification by Ms. Rachita Mantry Kabra, Director, pursuant to Regulation 17 (8) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 of the Listing Agreement regarding financial statements**

I, Rachita Mantry Kabra, certify that:

- a) I have reviewed the financial statements and the cash flow of Capfin India Limited (“the company”) for the year ended March 31, 2021 and to the best of my knowledge and belief:
- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws, and regulations.
- b) There are, to the best of my knowledge and belief, no transactions entered by the company during the year that are fraudulent, illegal, or violative of the Company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. There are no deficiencies in the design or operation of internal control.
- d) I have indicated to the Auditors and the Audit Committee that there are no
- 1) Significant changes in the internal control over financial reporting during the year.
  - 2) Significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the financial statements; and
  - 3) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting. However, during the year there was no such instance.

**For Capfin India Limited**

**Date: June 30, 2021**

**Place: New Delhi**

**Rachita Mantry Kabra**  
**Director**  
**(DIN:03414391)**

**AUDITORS CERTIFICATE ON COPROPRATE GOVERNANCE**

As required by Regulation 34 of SEBI(Listing Obligations and Disclosures Requirements) Regulations, 2015 of Listing Agreement, the Auditors Certificate is given below:

**AUDITORS CERTIFICATE**

To  
The Members of Capfin India Limited

We have examined the compliance of conditions of Corporate Governance by Capfin India Limited for the year ended as on 31<sup>st</sup>March2021 as stipulated in Regulation 34 of SEBI(Listing Obligations and Disclosures Requirements) Regulations, 2015 of the Listing Agreement of the said company with the Stock Exchange.

The compliance of the condition of Corporate Governance is the responsibility of the management. Our examination as carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) issued by the Institute of Chartered Accountants of India and was limited to review the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the Financial Statement of the company.

In our opinion and to the best of our information and according to the explanation given to us we certify that the company has complied with the conditions of the Corporate Governance as stipulated in the above-mentioned listing agreement.

We state that in respect of investor grievances received during the year ended 31st March2021, no investor grievances are pending against the Company for a period exceeding 15 days as per records maintained by the company which are presented to the Board of Directors of the Company.

We further state that such compliances are neither an assurance as to future viability of the company nor the efficiency or the effectiveness with which management has conducted the affairs of the company.

**For Adarsh Kumar & Co**  
**Chartered Accountants**

**(CA Adarsh Kumar Agarwal)**  
**Proprietor**  
**M.No. 087559**  
**UDIN No. – 21087559AAAABE4496**

**Place: Delhi**  
**Date: August 26, 2021**

## **INDEPENDENT AUDITORS' REPORT**

To the Members of Capfin India Limited

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying annual financial statements of **Capfin India Limited** ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements

under the provisions of the Act and Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements

### **Key Audit Matters**

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

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## **Auditors' Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance,



but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered

appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements and the operating effectiveness of such controls of the Company, refer to our separate report in "Annexure-B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

- (I) The Company has no pending litigations as at March 31, 2021 on its financial position in its standalone financial statements.
- (ii) The Company did not have any long-term contracts, including derivative contracts as at March 31, 2021 for which there were material foreseeable losses.
- (iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.

For Adarsh Kumar & Co  
*Chartered Accountants*

ICAI Firm Registration number: 013300N

**Adarsh Kumar Agarwal**

*Proprietor*

Membership No: 087559

UDIN: 21087559AAAABB6746

Place: New Delhi

Date: 28<sup>th</sup> June, 2021

## **Annexure A to Independent Auditors' Report**

### **Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report of even date to the members of Capfin India Limited on the financial statements as of and for the year ended March 31, 2021.**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (I) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) As explained to us, these fixed assets have been physically verified by the management at reasonable intervals; no any material discrepancies were noticed on such verification.
- (c) The title deed of the immovable property is held in the name of the Company
- (ii) According to the information and explanation given to us, the company is engaged in trading of shares. Further the company had no closing inventory whatsoever.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the said clause is inapplicable to the Company, being a non-banking financial company registered under Chapter IIIB of the Reserve Bank of India Act, 1934
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- (vi) The Central Government of India has not specified maintenance of cost records under Section 148(1) of the Act in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the order are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employee's state insurance, service tax and duty of excise though there has been a slight delay in a few cases, and is regular in

depositing undisputed statutory dues, including sales tax, income tax, duty of customs, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service tax, duty of customs, income tax, sales tax, duty of excise and value added tax which have not been deposited on account of any dispute.

(viii) The Company has not availed any loan from any financial institution, bank, Government and there are no dues to debenture holders. Therefore, the provisions of clause (viii) of paragraph 3 of the order are not applicable to the Company.

(ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

(xi) The Company has paid remuneration to managerial personnel as per the provisions of Section 197 read with schedule V to the Companies Act, 2013.

(xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

(xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian

Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

*ADARSH KUMAR & CO.*  
**Chartered Accountants**

6A/1, Basement Ganga Chambers  
W.E.A. , Karol Bagh New Delhi-110005  
011-25812050  
email : adarshca88@gmail.com

(xv) According to information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

(xvi) The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934 vide registration no. 14.00643 dated 06/04/1998. Therefore, the provisions of clause (xvi) or paragraph 3 of the Order are applicable and have been complied with.

For Adarsh Kumar & Co  
*Chartered Accountants*  
ICAI Firm Registration number: 013300N

**Adarsh Kumar Agarwal**  
*Proprietor*  
Membership No.087559  
UDIN: 21087559AAAABB6746  
Place: New Delhi  
Date: 28<sup>th</sup> June, 2021

## **“Annexure – B” to the Auditors' Report**

**Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements' section of our report of even date to the members of Capfin India Limited on the financial statements as of and for the year ended March 31, 2021.**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.**

We have audited the internal financial controls over financial reporting of Capfin India Limited as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

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



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

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

### **Meaning of Internal financial control over financial Reporting.**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

**For Adarsh Kumar & Co**

Chartered Accountants

ICAI Firm Registration number: 013300N

CA Adarsh Kumar Aggarwal

Proprietor

Membership No. 087559

UDIN: 21087559AAAABB6746

Place: New Delhi

Date: 28<sup>th</sup> June, 2021

**Capfin India Limited**  
**Balance Sheet as at 31 March 2021**

(All amount in rupees)

|   | Notes | As at March 31,<br>2021 | As at March 31,<br>2020 |
|---|-------|-------------------------|-------------------------|
| <b>ASSETS</b>                           |       |                         |                         |
| <b>Financial assets</b>                 |       |                         |                         |
| Cash and cash equivalents               | 2     | 1,96,024                | 1,36,409                |
| Loans                                   | 3     | 1,81,77,980             | 1,81,68,678             |
| Investments                             | 4     | 90,86,967               | 1,25,61,320             |
|   |       | <b>2,74,60,971</b>      | <b>3,08,66,407</b>      |
| <b>Non- financial assets</b>            |       |                         |                         |
| Current Tax Assets (Net)                | 5     | 1,05,689                | 50,697                  |
| Deferred Tax Assets (Net)               | 6     | 1,90,913                | 2,08,732                |
| Property, plant and equipment           | 8     | 1,859                   | 2,252                   |
| Investment Property                     | 9     | 24,43,463               | 24,87,956               |
| Other non- financial assets             | 7     | 1,10,478                | 1,23,112                |
|   |       | <b>28,52,402</b>        | <b>28,72,749</b>        |
| <b>Total assets</b>                     |       | <b>3,03,13,373</b>      | <b>3,37,39,155</b>      |
| <b>LIABILITIES AND EQUITY</b>           |       |                         |                         |
| <b>LIABILITIES</b>                      |       |                         |                         |
| <b>Financial liabilities</b>            |       |                         |                         |
| Other payables                          | 10    | 76,500                  | 4,15,400                |
| Borrowings (Other than debt securities) | 11    | 1,50,000                | 1,50,000                |
|   |       | <b>2,26,500</b>         | <b>5,65,400</b>         |
| <b>Equity</b>                           |       |                         |                         |
| Equity share capital                    | 12    | 2,86,47,000             | 2,86,47,000             |
| Other equity                            | 13    | 14,39,873               | 45,26,755               |
|   |       | <b>3,00,86,873</b>      | <b>3,31,73,755</b>      |
| <b>Total Liabilities and Equity</b>     |       | <b>3,03,13,373</b>      | <b>3,37,39,155</b>      |

Summary of significant accounting policies

1

See accompanying notes to the financial statements

Audit Report as on even date attached

For ADARSH KUMAR & Co.

Chartered Accountants

(FRN: 087559)

For and on behalf of the Board of Directors

ADARSH KUMAR AGGARWAL

Proprietor

Membership No.: 087559

UDIN: 21087559AAAABB746

Place: New Delhi

Date: 28.06.2021

Rachita Mantry Kabra

Director

DIN: 03414391

Sarita Mantry

Director

DIN: 01111382

|  | Notes | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|--|-------|------------------------------|------------------------------|
| <b>I. Revenue from Operations (Gross)</b>  |       |                              |                              |
| Interest income  | 14    | 13,83,803                    | 13,78,896                    |
| Rental income  |       | 46,000                       | 62,002                       |
| <b>Total revenue from operations</b>   |       |                              |                              |
| Other income   | 15    | 70,505                       | 2,38,292                     |
| <b>II. Total Income</b>  |       |                              |                              |
|  |       | <b>15,00,308</b>             | <b>16,79,190</b>             |
| <b>III. Total Expenses</b>   |       |                              |                              |
| Fees and commission expense  | 16    | 4,22,408                     | 3,80,852                     |
| Employee benefit expense   | 17    | 3,82,000                     | 4,27,002                     |
| Depreciation, amortisation and impairment  |       | 44,886                       | 45,720                       |
| Others expenses  | 18    | 2,14,848                     | 4,92,390                     |
| <b>IV. Profit before Tax (II - III)</b>  |       |                              |                              |
|  |       | <b>4,36,166</b>              | <b>3,33,227</b>              |
| <b>V. Tax Expenses</b>   |       |                              |                              |
| - Current tax  | 20    | 9,301                        | 4,346                        |
| - Deferred tax   | 20    | 39,395                       | 44,917                       |
| <b>VI. Profit for the Period (IV-V)</b>  |       |                              |                              |
|  |       | <b>3,87,470</b>              | <b>2,83,964</b>              |
| <b>Other Comprehensive income</b>  |       |                              |                              |
| <b>VII. Items that will not be reclassified to profit or loss in subsequent periods</b>                  |       |                              |                              |
| Changes in fair value of FVOCI equity instruments  | 4     | (34,74,352)                  | 1,46,846                     |
| Income Tax impact  | 6     | -                            | 27,166                       |
| <b>VIII. Net other comprehensive loss not to be reclassified to profit or loss in subsequent periods</b> |       |                              |                              |
|  |       | <b>(34,74,352)</b>           | <b>1,19,679</b>              |
| <b>Total comprehensive income (VI+ VIII)</b>   |       |                              |                              |
|  |       | <b>(30,86,883)</b>           | <b>4,03,644</b>              |

**Existing Per Equity Share (Face Value)**

|           |      |      |
|-----------|------|------|
| - Basic   | 0.14 | 0.10 |
| - Diluted | 0.14 | 0.10 |

**Summary of significant accounting policies** 1

See accompanying notes to the financial statements

**Audit Report as on even date attached  
For ADARSH KUMAR & Co.  
Chartered Accountants  
(FRN: 087559)**

**For and on behalf of the Board of Directors**

**ADARSH KUMAR AGGARWAL  
Proprietor  
Membership No.: 087559  
UDIN: 21087559AAAABB746  
Place: New Delhi  
Date: 28.06.2021**

**Rachita Mantry Kabra  
Director  
DIN: 03414391**

**Sarita Mantry  
Director  
DIN: 01111382**

**Capfin India Limited**  
**Statement of Cash Flows for the year ended 31 March 2021**  
(All amount in rupees)

| Notes  | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
|--|--------------------------------------|--------------------------------------|
| <b>I. Cash Flow from Operating Activities</b>                        |                                      |                                      |
| Profit / (loss) before tax   | 4,36,166                             | 3,33,227                             |
| Depreciation and amortisation  | 44,886                               | 45,720                               |
| Finance costs (including fair value change in financial instruments) | -                                    | -                                    |
| <b>Operating Profit before Working Capital changes</b>               | <b>4,81,052</b>                      | <b>3,78,947</b>                      |
| <b>Movements in working capital :</b>                                |                                      |                                      |
| Increase/(Decrease) in Provisions                                    | -                                    | (46,651)                             |
| Increase/(Decrease) in Other payables                                | (3,38,900)                           | 2,68,500                             |
| Decrease / (Increase) in Non Financial assets                        | 12,634                               | 1,09,841                             |
| Decrease / (Increase) in Loans                                       | (9,302)                              | (22,54,534)                          |
| Decrease / (Increase) in Other Financial assets                      | -                                    | 4,90,450                             |
| Cash Generated From Operations                                       | 1,45,484                             | (10,53,447)                          |
| Less : Direct Tax paid ( net of refunds)                             | (85,869)                             | (74,891)                             |
| <b>Net Cash Flow from Operating Activities</b>                       | <b>59,615</b>                        | <b>(11,28,339)</b>                   |
| <b>II. Cash Flow from Investing Activities:</b>                      |                                      |                                      |
| Redemption / (increase) in Investments                               | -                                    | 9,97,184                             |
| <b>Net cash flow (used in) investing activities</b>                  | <b>-</b>                             | <b>9,97,184</b>                      |
| <b>III. Net Cash Flow From Financing Activities:</b>                 |                                      |                                      |
| Loan taken/paid during the year                                      | -                                    | 50,000                               |
| <b>Net cash flow (used in) financing activities</b>                  | <b>-</b>                             | <b>50,000</b>                        |
| <b>IV. Net (decrease) / In cash and cash equivalents (I+II+III)</b>  | <b>59,615</b>                        | <b>(81,155)</b>                      |
| Cash and cash equivalents (Opening)                                  | 1,36,409                             | 2,17,564                             |
| <b>Cash and cash equivalents (Closing)</b>                           | <b>1,96,024</b>                      | <b>1,36,409</b>                      |

See accompanying notes to the financial statements

Audit Report as on even date attached  
For ADARSH KUMAR & Co.  
Chartered Accountants  
(FRN: 087559)

For and on behalf of the Board of Directors

ADARSH KUMAR AGGARWAL  
Proprietor  
Membership No.: 087559  
UDIN: 21087559AAAABB746  
Place: New Delhi  
Date: 28.06.2021

Rachita Mantry Kabra  
Director  
DIN: 03414391

Sarita Mantry  
Director  
DIN: 01111382

**Capfin India Limited**  
**Statement of Changes in Equity for the period ended 31 March 2021**  
(All amount in rupees)

| (a) Equity Share Capital                                       | Number           | Amounts in INR      |
|--|------------------|---------------------|
| Equity shares of Rs. 10 each issued, subscribed and fully paid |                  |                     |
| <b>As at 31 March 2019</b>                                     | <b>28,64,700</b> | <b>28,64,70,000</b> |
| Issue of share capital   | -                | -                   |
| <b>As at 31 March 2020</b>                                     | <b>28,64,700</b> | <b>28,64,70,000</b> |
| Issue of share capital   | -                | -                   |
| <b>As at 31 March 2021</b>                                     | <b>28,64,700</b> | <b>28,64,70,000</b> |

**(b) Other equity**

**For the year ended 31 March 2021:**

|                                    | Attributable to the equity shareholders |                   |  |                  |
|------------------------------------|---|-------------------|--|------------------|
|                                    | Reserves and Surplus                    |                   | Other Comprehensive Income<br>Equity instruments through<br>other comprehensive income | Total            |
|                                    | Capital Reserve                         | Retained earnings |  |                  |
| <b>As at 31 March 2019</b>         | <b>36,89,369</b>                        | <b>6,67,112</b>   | <b>(4,57,430)</b>  | <b>38,99,051</b> |
| Profit for the year                | -                                       | 2,83,964          |  | 2,83,964         |
| Other Comprehensive income         |   |                   | 1,19,679   | 1,19,679         |
| Other reclassification adjustments |   | 2,24,061          |  | 2,24,061         |
| <b>As at 31 March 2020</b>         | <b>36,89,369</b>                        | <b>11,75,137</b>  | <b>(3,37,751)</b>  | <b>45,26,755</b> |
| Profit for the year                | -                                       | 3,87,470          |  | 3,87,470         |
| Other Comprehensive income         |   |                   | (34,74,352)  | (34,74,352)      |
| Other reclassification adjustments |   | -                 |  |                  |
| <b>As at 31 March 2021</b>         | <b>36,89,369</b>                        | <b>15,62,607</b>  | <b>(38,12,103)</b>   | <b>14,39,873</b> |

**Notes to Financial Statements as at March 31, 2021**

(All amount in rupees)

**Note 2: Cash and cash equivalents**

| Particulars         | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---------------------|-------------------------|-------------------------|
| Cash on hand        | 11,651                  | 15,221                  |
| Balances with banks | 1,84,373                | 1,21,188                |
|                     | <b>1,96,024</b>         | <b>1,36,409</b>         |

Balances with banks earns interest at floating rates based on daily bank deposit rates. The Company has not taken bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and for cash equivalent given above

**Note 3: Loans and advances (at amortised cost)**

| Particulars  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--|-------------------------|-------------------------|
| <b>Term loans:</b>   |                         |                         |
| Corporate lending  | 1,71,77,980             | 1,74,78,468             |
| Small business lending   | 10,00,000               | 6,90,210                |
| <b>Total – Gross</b>   | <b>1,81,77,980</b>      | <b>1,81,68,678</b>      |
| Less: Impairment loss allowance  | -                       | -                       |
| <b>Total – Net</b>   | <b>1,81,77,980</b>      | <b>1,81,68,678</b>      |
| (a) Secured by tangible assets (property, plant and equipment including land and building) |                         | 41,40,000               |
| (b) Unsecured  | 1,81,77,980             | 1,40,28,678             |
| <b>Total – Gross</b>   | <b>1,81,77,980</b>      | <b>1,81,68,678</b>      |

**Capfin India Limited**  
**Notes to Financial Statements as at March 31, 2021**  
(All amount in rupees)

**Note 4: Investments**

| As at 31 March 2021                     | At Amortised Cost | At fair value                      |                        |   | Subtotal         | Others | Total            |
|---|-------------------|------------------------------------|------------------------|---|------------------|--------|------------------|
|   |                   | Through other comprehensive income | Through profit or loss | Designated at fair value through profit or loss |                  |        |                  |
| <b>Investments in India</b>             |                   |                                    |                        |   |                  |        |                  |
| Equity Instruments                      | -                 | 90,86,967                          | -                      | -   | 90,86,967        | -      | 90,86,967        |
| Others                                  | -                 | -                                  | -                      | -   | -                | -      | -                |
| <b>Total gross (A)</b>                  | -                 | <b>90,86,967</b>                   | -                      | -   | <b>90,86,967</b> | -      | <b>90,86,967</b> |
| Less: Allowance for Impairment loss (B) | -                 | -                                  | -                      | -   | -                | -      | -                |
| <b>Total Net D = (A) -(B)</b>           | -                 | <b>90,86,967</b>                   | -                      | -   | <b>90,86,967</b> | -      | <b>90,86,967</b> |

| As at 31 March 2020                     | At Amortised Cost | At fair value                      |                        |   | Subtotal           | Others | Total              |
|---|-------------------|------------------------------------|------------------------|---|--------------------|--------|--------------------|
|   |                   | Through other comprehensive income | Through profit or loss | Designated at fair value through profit or loss |                    |        |                    |
| <b>Investments in India</b>             |                   |                                    |                        |   |                    |        |                    |
| Equity Instruments                      | -                 | 1,25,61,320                        | -                      | -   | 1,25,61,320        | -      | 1,25,61,320        |
| Others                                  | -                 | -                                  | -                      | -   | -                  | -      | -                  |
| <b>Total gross (A)</b>                  | -                 | <b>1,25,61,320</b>                 | -                      | -   | <b>1,25,61,320</b> | -      | <b>1,25,61,320</b> |
| Less: Allowance for Impairment loss (B) | -                 | -                                  | -                      | -   | -                  | -      | -                  |
| <b>Total Net D = (A) -(B)</b>           | -                 | <b>1,25,61,320</b>                 | -                      | -   | <b>1,25,61,320</b> | -      | <b>1,25,61,320</b> |

The Company has designated its equity investments as FVOCI on the basis that these are not held for trading and held for strategic purposes.

**Note 5: Current tax assets (Net)**

| Particulars   | As at March 31, 2021 | As at March 31, 2020 |
|---|----------------------|----------------------|
| <b>Current Tax Assets</b>   |                      |                      |
| Tax deducted at source receivable (Net of Provision for taxation) | 1,05,689             | 50,697               |
| <b>Total</b>  | <b>1,05,689</b>      | <b>50,697</b>        |

**Note 6 : Deferred tax assets (Net)**

| Particulars                    | As at March 31, 2021 | As at March 31, 2020 |
|--------------------------------|----------------------|----------------------|
| <b>Deferred Tax Assets</b>     |                      |                      |
| Mat credit entitlement         | 21,576               | 2,67,440             |
| Depreciation                   | 1,69,337             | (58,708)             |
|                                | <b>1,90,913</b>      | <b>2,08,732</b>      |
| <b>Net Deferred Tax Assets</b> | <b>1,90,913</b>      | <b>2,08,732</b>      |

**Note 7: Other non financial assets**

| Particulars                                    | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| Balances with statutory/government authorities | 1,10,478             | 1,23,112             |
| <b>Total</b>                                   | <b>1,10,478</b>      | <b>1,23,112</b>      |

# Capfin India Limited

## Notes to Financial Statements as at March 31, 2021

(All amount in rupees)

### Note 8: Property and equipment

| Cost/ Valuation           | Mobile Phone | Laptop       | Total        |
|---------------------------|--------------|--------------|--------------|
| <b>At 31st March 2019</b> | <b>3,398</b> | <b>4,279</b> | <b>8,184</b> |
| Additions                 | -            | -            | -            |
| Disposals                 | -            | -            | -            |
| <b>At 31st March 2020</b> | <b>3,398</b> | <b>4,279</b> | <b>8,184</b> |
| Additions                 | -            | -            | -            |
| Disposals                 | -            | -            | -            |
| <b>At 31st March 2021</b> | <b>3,398</b> | <b>4,279</b> | <b>8,184</b> |

| Depreciation and impairment | Mobile Phone | Laptop       | Total        |
|-----------------------------|--------------|--------------|--------------|
| <b>At 31st March 2019</b>   | <b>1,170</b> | <b>3,028</b> | <b>4,705</b> |
| Depreciation expense        | 393          | 834          | 1,227        |
| Disposal                    | -            | -            | -            |
| <b>At 31st March 2020</b>   | <b>1,563</b> | <b>3,862</b> | <b>5,932</b> |
| Depreciation expense        | 393          | -            | 393          |
| Disposal                    | -            | -            | -            |
| <b>At 31st March 2021</b>   | <b>1,956</b> | <b>3,862</b> | <b>6,325</b> |

| Net Book value            | Mobile Phone | Laptop     | Total        |
|---------------------------|--------------|------------|--------------|
| <b>At 31st March 2020</b> | <b>1,835</b> | <b>417</b> | <b>2,252</b> |
| <b>At 31st March 2021</b> | <b>1,442</b> | <b>417</b> | <b>1,859</b> |

### Note 9: Investment property

| Cost/ Valuation                    | Investment property | Total            |
|------------------------------------|---------------------|------------------|
| <b>At 31st March 2019</b>          | <b>26,69,636</b>    | <b>26,69,636</b> |
| Additions (subsequent expenditure) | -                   | -                |
| <b>At 31st March 2020</b>          | <b>26,69,636</b>    | <b>26,69,636</b> |
| Additions (subsequent expenditure) | -                   | -                |
| <b>At 31st March 2021</b>          | <b>26,69,636</b>    | <b>26,69,636</b> |

| Depreciation and impairment | Investment property | Total           |
|-----------------------------|---------------------|-----------------|
| <b>At 31st March 2019</b>   | <b>1,37,187</b>     | <b>1,37,187</b> |
| Depreciation expense        | 44,493              | 44,493          |
| <b>At 31st March 2020</b>   | <b>1,81,680</b>     | <b>1,81,680</b> |
| Depreciation expense        | 44,493              | 44,493          |
| <b>At 31st March 2021</b>   | <b>2,26,173</b>     | <b>2,26,173</b> |

| Net Book value            | Investment property | Total            |
|---------------------------|---------------------|------------------|
| <b>At 31st March 2019</b> | <b>25,32,449</b>    | <b>25,32,449</b> |
| <b>At 31st March 2020</b> | <b>24,87,956</b>    | <b>24,87,956</b> |
| <b>At 31st March 2021</b> | <b>24,43,463</b>    | <b>24,43,463</b> |

### Information regarding income and expenditure of Investment property

| Particulars   | 31-Mar-21     | 31-Mar-20       |
|---|---------------|-----------------|
| Rental income derived from investment properties  | 46,000        | 62,002          |
| Direct operating expenses (including repairs and maintenance) that did not generate rental income | -             | (27,600)        |
| <b>Profit arising from investment properties before depreciation and indirect expenses</b>        | <b>46,000</b> | <b>34,402</b>   |
| Less – Depreciation   | (44,493)      | (44,493)        |
| <b>Profit arising from investment properties before indirect expenses</b>                         | <b>1,507</b>  | <b>(10,091)</b> |

The Company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.



# Capfin India Limited

## Notes to Financial Statements as at March 31, 2021

(All amount in rupees)

### Note 10: Other payables

| Particulars      | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|------------------|-------------------------|-------------------------|
| Expenses payable | 76,500                  | 4,15,400                |
| <b>Total</b>     | <b>76,500</b>           | <b>4,15,400</b>         |

### Note 11: Borrowings

| Particulars                 | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|-----------------------------|-------------------------|-------------------------|
| <b>Term loans</b>           |                         |                         |
| - From Director (Unsecured) | 1,50,000                | 1,50,000                |
| <b>Total</b>                | <b>1,50,000</b>         | <b>1,50,000</b>         |
| - Within India              | 1,50,000                | 1,50,000                |
| - Outside India             | -                       | -                       |
| <b>Total</b>                | <b>1,50,000</b>         | <b>1,50,000</b>         |

The loan taken from director of INR 1,50,000 is an unsecured interest free short term loan and is repayable on demand.

### Note 12: Issued Capital and reserves

| Particulars  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--|-------------------------|-------------------------|
| <b>Authorised</b>                                      |                         |                         |
| 40,00,000 Equity Shares of INR 10 each                 | 4,00,00,000             | 4,00,00,000             |
| (Previous year 40,00,000 Equity Shares of INR 10 each) |                         |                         |
|  | <b>4,00,00,000</b>      | <b>4,00,00,000</b>      |
| <b>Issued:</b>   |                         |                         |
| 34,50,000 Equity Shares of INR 10 each                 | 3,45,00,000             | 3,45,00,000             |
| (Previous year 34,50,000 Equity Shares of INR 10 each) |                         |                         |
|  | <b>3,45,00,000</b>      | <b>3,45,00,000</b>      |
| <b>Subscribed and fully paid up:</b>                   |                         |                         |
| 28,64,700 Equity Shares of INR 10 each                 | 2,86,47,000             | 2,86,47,000             |
| (Previous year 28,64,700 Equity Shares of INR 10 each) |                         |                         |
|  | <b>2,86,47,000</b>      | <b>2,86,47,000</b>      |

#### Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### Details of shareholders holding more than 5%

| Particulars                 | As at March 31, 2021 |              | As at March 31, 2020 |              |
|-----------------------------|----------------------|--------------|----------------------|--------------|
|                             | No. of shares        | % of holding | No. of shares        | % of holding |
| Equity shares of Rs 10 each |                      |              |                      |              |
| <b>Person-A</b>             | 2,26,200             | 7.89         | 2,26,200             | 7.89         |
| <b>Total</b>                | <b>2,26,200</b>      | <b>7.89</b>  | <b>2,26,200</b>      | <b>7.89</b>  |

### Note 13: Other equity

| Particulars                     | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---------------------------------|-------------------------|-------------------------|
| <b>Other equity:</b>            |                         |                         |
| Capital Reserve                 | 36,89,369               | 36,89,369               |
| opening                         |                         |                         |
| Retained earnings               | 7,17,707                | 2,09,682                |
| Add: Profit during the year     | 3,87,470                | 2,83,964                |
| Add: Other adjustments          |                         | 2,24,061                |
|                                 | 11,05,177               | 7,17,707                |
| Opening                         | 1,19,679                |                         |
| Add: Other comprehensive income | (34,74,352)             | 1,19,679                |
|                                 | (33,54,673)             | 1,19,679                |
| <b>Total</b>                    | <b>14,39,873</b>        | <b>45,26,755</b>        |

#### Nature and purpose of reserves

##### FVOCI equity investments

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

##### Capital Reserves

This pertains to the amount of Rs36,89,369 realised by the company due to forfeiture of shares made during the Financial Year 2015-16

**Capfin India Limited**  
**Notes to Financial Statements as at March 31, 2021**  
(All amount in rupees)

**Note 14: Interest income**

| Particulars                      | 2020-21                               |  |  | 2019-20          |                                       |  |  |
|----------------------------------|---------------------------------------|--|--|------------------|---------------------------------------|--|--|
|                                  | On Financial Assets at Amortised Cost | On Financial Assets at fair value through profit or loss | On Financial Assets at fair value through profit or loss | Total            | On Financial Assets at Amortised Cost | On Financial Assets at fair value through profit or loss | On Financial Assets at fair value through profit or loss |
| <b>Interest on Loans</b>         |                                       |  |  |                  |                                       |  |  |
| Loans and advances to customers* | 13,81,339                             |  |  | 13,81,339        | 13,78,896                             |  |  |
| Interest on Fixed deposits       | 2,464                                 |  |  | 2,464            |                                       |  |  |
| <b>Total</b>                     | <b>13,83,803</b>                      | -  | -  | <b>13,83,803</b> | <b>13,78,896</b>                      | -  | -  |

**Note 15: Other income**

| Particulars                   | 31-Mar-21     | 31-Mar-20       |
|-------------------------------|---------------|-----------------|
| Interest on Income Tax Refund | 1,105         | 4,967           |
| Misc Income                   | 69,400        | 4,880           |
| Profit in Jewellery           | -             | 2,28,445        |
| <b>Total</b>                  | <b>70,505</b> | <b>2,38,292</b> |

**Note : 16 Fees and commission expense**

| Particulars                          | 31-Mar-21       | 31-Mar-20       |
|--------------------------------------|-----------------|-----------------|
| <b>Fees and commission expenses:</b> |                 |                 |
| Other fees                           | 4,22,408        | 3,80,852        |
| <b>Total</b>                         | <b>4,22,408</b> | <b>3,80,852</b> |

**Note : 17 Employee benefit expense**

| Particulars            | 31-Mar-21       | 31-Mar-20       |
|------------------------|-----------------|-----------------|
| Salaries and wages     | 3,22,000        | 3,60,000        |
| Staff welfare expenses | 60,000          | 67,002          |
| <b>Total</b>           | <b>3,82,000</b> | <b>4,27,002</b> |

**Note : 18 Other Expenses**

| Particulars                              | 31-Mar-21       | 31-Mar-20       |
|--|-----------------|-----------------|
| Audit Fees                               | 10,000          | 21,800          |
| Bank Charges                             | 1,947           | 666             |
| Conveyance                               | 50,540          | 35,780          |
| Data Processing Charges                  | -               | 55,600          |
| Repair & Maintenance : Flat Furniture    | -               | 64,300          |
| E-Voting Expenses                        | 17,700          | 1,000           |
| General Meeting Expenses                 | -               | 18,760          |
| Legal & Professional Charges             | 2,500           | 28,500          |
| Miscellaneous Expenses                   | -               | 25,820          |
| Vehicle Expenses                         | -               | 25,600          |
| Postage & Courier                        | 15,480          | 3,465           |
| Printing & Stationary                    | 12,450          | 43,200          |
| Publication                              | 29,244          | 27,722          |
| Share Transfer and Registration Expenses | -               | 26,550          |
| Rent                                     | 72,000          | 72,000          |
| Telephone and postage Expenses           | 2,987           | 2,583           |
| Website Expense                          | -               | 3,000           |
| Short & Excess                           | -               | 220             |
| Rates and Taxes                          | -               | 35,824          |
| <b>Total</b>                             | <b>2,14,848</b> | <b>4,92,390</b> |

**Details of payments to auditors:**

| Particulars            | 31-Mar-21 | 31-Mar-20     |
|------------------------|-----------|---------------|
| Payment to auditors:   |           |               |
| Statutory Audit Fee    |           | 11,800        |
| Out of pocket expenses |           |               |
| <b>Total</b>           | <b>-</b>  | <b>11,800</b> |

# Capfin India Limited

## Notes to Financial Statements as at March 31, 2021

(All amount in rupees)

### Note : 19 Tax Expenses

| Particulars  | 31-Mar-21     | 31-Mar-20     |
|--------------|---------------|---------------|
| Current tax  | 9,301         | 31,512        |
| Deferred Tax | 39,395        | 44,917        |
| <b>Total</b> | <b>48,696</b> | <b>76,429</b> |

#### a) Income tax related to items charged or credited directly to profit or loss during the year:

| Statement of profit or loss                                   | 31-Mar-21     | 31-Mar-20     |
|---|---------------|---------------|
| <b>Current income tax:</b>                                    |               |               |
| Current income tax charge                                     | 9,301         | 31,512        |
| Adjustments in respect of current income tax of previous year |               | -             |
| <b>Deferred tax:</b>  |               |               |
| Relating to origination and reversal of temporary differences | 39,395        | 44,917        |
| <b>Tax expense</b>  | <b>48,696</b> | <b>76,429</b> |

### Note : 20 Related Party transactions

#### (A) Names of Related parties and nature of related party relationships

##### Key management personnel

Rachita Mantry-Managing Director  
Sarita Mantry - Director  
Ashok Mohta- Independent Director  
Sanjay Kukreja - Independent Director  
Rachita Mantry-CFO  
Priyanka Chaudhary-CS

The following table provides the total amount due to or due from the related parties as on 31st March 2021 and 31 March 2020

| Particulars                     | 31 March, 2021 | 31 March, 2020 |
|---------------------------------|----------------|----------------|
| <b>Rachita Mantry</b>           |                |                |
| Director Salary & Perks Payable | 144000         | 200000         |
| Loan taken                      | 150000         | 150000         |
| <b>Total</b>                    | <b>294000</b>  | <b>350000</b>  |

#### 21 Segment Reporting

The Company has a single operating segment that is “providing loans to corporates and non-corporates”. Accordingly, the segment revenue, segment results, segment assets and segment liabilities are reflected by the financial statements themselves as at and for the financial year ended 31st March 2021.

##### Entity wide disclosures:

#### I. Information about products and services:

The Company is in a single line of business of “providing loans to corporates and non-corporates”.

# Capfin India Limited

## Notes to Financial Statements as at March 31, 2021

(All amount in rupees)

### II. Geographic Informations:

The company operates presently in the business of providing loans to corporates and non-corporates in India. Accordingly, revenue from customers and all assets are located in India only.

### III. Information about major customers:

The number of customers who contributed more than 59.36% of the revenue individually during the year ended 31st March 2021 were INR 8,20,000/- and the number of customers during the year ended 31 March 2021 were 3 . Revenue from these customers was INR 8,20,000/- and INR 8,59,686 during the year ended 31st March 2021 and 31 March 2020 respectively.

### 22 Contingent Liabilities and Commitments

The company has nil contingent liabilities and no commitments for the year ended on March 31, 2021.

## 23 Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. This note explains the sources of risk which the entity is exposed to and how the company manages the risk. The Company is exposed to market risk, credit risk and liquidity risk.

The Company board of directors has overall responsibility for the establishment and oversight of the company's risk management framework.

### 1. Market Risk

#### (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to the risk of changes in market interest rates relates primarily to the

Company's debt obligations with floating interest rates.

The company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and investing in fixed interest instruments.

#### (b) Foreign currency risk

The Company does not have significant exposure in currency other than INR.

### 2. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements.

The Company closely monitors its liquidity position and deploys a robust cash management system.

The contractual maturities of the Company's financial liabilities are presented below:

| As at 31st March 2021                                   | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total    |
|---|-----------|--------------------|----------------|--------------|-----------|----------|
| Interest-bearing loans and borrowings-Principal Payable |           |                    |                | 1,50,000     |           | 1,50,000 |
| Trade and other payables                                |           |                    |                | -            |           | -        |
| Expenses Payable  |           |                    | 76,500         |              |           | 76,500   |
| <b>Total</b>  | -         | -                  | 76,500         | 1,50,000     | -         | 2,26,500 |

| As at 31st March 2020                                   | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total    |
|---|-----------|--------------------|----------------|--------------|-----------|----------|
| Interest-bearing loans and borrowings-Principal Payable |           |                    |                | 1,50,000     |           | 1,50,000 |
| Trade and other payables                                |           |                    |                | 69,300       |           | 69,300   |
| Expenses Payable  |           |                    | 3,22,500       |              |           | 3,22,500 |
| <b>Total</b>  | -         | -                  | 3,22,500       | 2,19,300     | -         | 5,41,800 |

### 3. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of financial assets represents the maximum credit exposure. There are no impairment losses on financial assets to be recognised in statement of profit or loss as on 31 March 2021 and for the comparative period as on 31 March 2020.

Trade and other receivables: The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The management does not expect any significant credit risk out of exposure to trade and other receivables.

Accordingly company does not expect any impairment loss on trade receivables.

Cash and cash equivalents: The company held cash and cash equivalents of INR 1,96,023.75 as at 31 March 2021 (31 March 2020: INR 1,36,409.07).

The cash and cash equivalents are held with public sector banks and leading private sector Bank.

There is no impairment on cash and cash equivalents as on the reporting date and the comparative period.

# Capfin India Limited

## Notes to Financial Statements as at March 31, 2021

(All amount in rupees)

### 24 Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent.

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

### 25 Accounting classifications and fair value measurements

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

**Set out below is a comparison by class of the carrying amounts and fair values of the Company's financial instruments that are carried in the financial statements:**

As at 31st March 2021, the Company held the following financial instruments carried at fair value on the statement of financial position:

| Particulars                                     | Carrying amount    | Fair value         | Fair value |         |                  |
|---|--------------------|--------------------|------------|---------|------------------|
|   | 31-Mar-21          | 31-Mar-21          | Level 1    | Level 2 | Level 3          |
| <b>Financial assets at amortised cost:</b>      |                    |                    |            |         |                  |
| Cash and cash equivalents                       | 1,96,024           | 1,96,024           |            |         |                  |
| Loans   | 1,81,77,980        | 1,81,77,980        |            |         |                  |
| Investments                                     | 1,22,99,046        | 90,86,967          |            |         | 90,86,967        |
| Other financial assets                          | 1,05,689           | 1,05,689           |            |         |                  |
| <b>Total</b>                                    | <b>3,07,78,739</b> | <b>2,75,66,660</b> | -          | -       | <b>90,86,967</b> |
| <b>Financial liabilities at amortised cost:</b> |                    |                    |            |         |                  |
| Trade payables                                  |                    |                    |            |         |                  |
| Other payables                                  | 76,500             | 76,500             |            |         |                  |
| Borrowings (Other than debt securities)         | 1,50,000           | 1,50,000           |            |         |                  |
| <b>Total</b>                                    | <b>2,26,500</b>    | <b>2,26,500</b>    |            |         | <b>90,86,967</b> |

As at 31st March 2020, the Company held the following financial instruments carried at fair value on the statement of financial position:

| Particulars                                     | Carrying amount    | Fair value         | Fair value |         |                    |
|---|--------------------|--------------------|------------|---------|--------------------|
|   | 31-Mar-20          | 31-Mar-20          | Level 1    | Level 2 | Level 3            |
| <b>Financial assets at amortised cost:</b>      |                    |                    |            |         |                    |
| Cash and cash equivalents                       | 1,36,409           | 1,36,409           |            |         |                    |
| Loans   | 1,81,68,678        | 1,81,68,678        |            |         |                    |
| Investments                                     | 1,22,99,046        | 1,25,61,320        |            |         | 1,25,61,320        |
| Other financial assets                          | 50,697             | 50,697             |            |         |                    |
| <b>Total</b>                                    | <b>3,06,54,830</b> | <b>3,09,17,104</b> | -          | -       | <b>1,25,61,320</b> |
| <b>Financial liabilities at amortised cost:</b> |                    |                    |            |         |                    |
| Trade payables                                  | -                  | -                  |            |         |                    |
| Other payables                                  | 4,15,400           | 4,15,400           |            |         |                    |
| Borrowings (Other than debt securities)         | 1,50,000           | 1,50,000           |            |         |                    |
| <b>Total</b>                                    | <b>5,65,400</b>    | <b>5,65,400</b>    |            |         | <b>1,25,61,320</b> |

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, loans, bank deposits, trade payables and other financial liabilities are considered to be same as their fair values, due to their short term nature

### 26. Earnings Per Share (EPS)

|  | 31-Mar-21 | 31-Mar-20 |
|--|-----------|-----------|
|  | INR       | INR       |
| a) Basic earning per share   |           |           |
| <b>Basic earning per share attributable to the equity holders of the company</b>   | 0.14      | 0.10      |
| b) Diluted earning per share   |           |           |
| <b>Diluted earning per share attributable to the equity holders of the company</b> | 0.14      | 0.10      |

Basic EPS amounts are calculated by dividing the profit/ (loss) for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/ (loss) attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

**Capfin India Limited**  
**Notes to Financial Statements as at March 31, 2021**  
 (All amount in rupees)

The following reflects the income and share data used in the basic and diluted EPS computations:

|   | 31-Mar-21        | 31-Mar-20        |
|---|------------------|------------------|
|   | INR              | INR              |
| Profit attributable to equity holders of the Company:   |                  |                  |
| Continuing operations   | 3,87,470         | 2,83,964         |
| Discontinued operation  |                  |                  |
| <b>Profit attributable to equity holders of the Company for basic earnings</b>                  | <b>3,87,470</b>  | <b>2,83,964</b>  |
| <b>Profit attributable to equity holders of the Company adjusted for the effect of dilution</b> | <b>3,87,470</b>  | <b>2,83,964</b>  |
| Weighted average number of Equity shares for basic EPS *  | 28,64,700        | 28,64,700        |
| Effect of dilution:   |                  |                  |
| <b>Weighted average number of Equity shares adjusted for the effect of dilution *</b>           | <b>28,64,700</b> | <b>28,64,700</b> |

\* The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year. There have been no other transactions.

**27. Leases**

**Transition to Ind AS 116**

Company has one contract for building falling within the scope of Ind AS 116. The Company has elected the option not to create lease liability and right-of-use asset in respect of short term leases. Short term leases refers to the leases having remaining period of 12 months from the initial date of application. In such cases, the leases are accounted for as short-term leases and the lease payments associated with such leases are recognised as an expense on a straight line basis over the lease term. The amount recognised as expense on account of short term leases is INR 72000/- (PY : INR 60,000/-).

**Audit Report as on even date attached**

**For ADARSH KUMAR & Co.**

**Chartered Accountants**

**(FRN: 087559)**

**For and on behalf of the Board of Directors**

**ADARSH KUMAR AGGARWAL**

**Proprietor**

**Membership No.: 087559**

**UDIN: 21087559AAAABB746**

**Place: New Delhi**

**Date: 28.06.2021**

**Rachita Mantry Kabra**

**Director**

**DIN: 03414391**

**Sarita Mantry**

**Director**

**DIN: 01111382**

## **15. SIGNIFICANT ACCOUNTING POLICIES**

### **i. Statement of Compliance**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as “Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015, read with Section 133 of the Companies Act 2013 (“the Act”) with effect from 1st April, 2016.

The Financial Statements for the year ended 31st March, 2021 have been prepared in accordance with the Ind AS issued and effective as at the reporting date. Previous periods have been restated in line with Ind AS.

### **ii. Basis of Preparation of Financial Statements:**

The financial statements have been prepared and presented based on going concern under the historical cost convention on an accrual basis except for certain financial instruments which are measured at fair value at the end of each reported period as explained in other accounting policies. The assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Company's financial statements are presented in Indian Rupees which is also its functional currency.

### **iii. Use of Estimates and Judgment**

The preparation of financial statements requires to exercise, judgment and estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates and underlying assumptions are reviewed on a periodic basis. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

The areas involving significant estimates and judgment include determination of useful life of property, plant and equipment and measurement of defined benefit obligations.

### **iv. Financial Instruments**

A financial instrument in any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

## **Financial Assets:**

### **(a) Initial Recognition and Measurement:**

On initial recognition, a financial asset is recognized at fair value. In case of financial asset which are recognized at fair value through profit and loss (FVTPL), its transaction cost are recognized in the Statement of Profit and Loss, while in other cases the transaction cost are attributed to the acquisition value of the financial asset.

### **(b) Subsequent Measurement:**

Financial Assets are subsequently classified as measured at (i) Amortised cost, (ii) Fair value through Profit and Loss (FVTPL) & (iii) Fair Value through Other Comprehensive Income (FVOCI). Financial Assets are not reclassified subsequent to their recognition, except in the period when the Company changes its business model for managing the financial assets.

### **Financial Assets at Amortised Cost**

Financial assets are subsequently measured at amortised cost, if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### **Financial Assets at Fair Value through other Comprehensive Income**

Financial assets are measured at fair value through other comprehensive income, if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

### **Financial Assets at Fair Value through Profit and Loss**

Financial assets are measured at fair value through Profit and Loss unless it is measured at amortized cost or at FVOCI on initial recognition.

### **Cash and Cash Equivalents**

Cash and Cash Equivalents comprise cash on hand and balance with banks which are subject to insignificant risk of changes in value.

### **(c) Derecognition:**

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfer the contractual right to receive the cash flows from the assets.

## **Financial Liabilities:**

### **(a) Initial Recognition and Measurement**

On initial recognition all financial liabilities are recognized at fair value and in case of loans and borrowings, net of directly attributable transaction costs.



**(b) Subsequent Measurement:**

Financial liabilities are subsequently classified as measured at amortized cost or fair value through Profit and Loss.

Financial liabilities are measured at amortized cost using the effective interest rate (EIR) method. Financial liabilities carried at fair value through profit and loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

**(c) Derecognition:**

The company derecognizes a financial liability when the obligation under the liability is discharged or cancelled or expires.

**v. Cash Flow Statement**

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

**vi. Property, Plant & Equipment:**

Property, plant & equipment are stated at cost and net of recoverable taxes less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses.

The carrying amount of assets are reviewed at balance sheet date to determine, if there is any indication of impairment based on external/internal factors.

Upon first time adoption of Ind AS, the company has elected to measure all its Property, Plant and Equipment at the Indian GAAP carrying amount as its deemed cost on the date of transition to Ind AS, i.e. 1st April, 2016. Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the Statement of Profit and loss when the asset is derecognized.

**vii. Intangible Assets**

Intangible assets are stated at cost of acquisition and net of recoverable taxes less accumulated amortization.

**viii. Depreciation**

Depreciation on property, plant and equipment is being provided on the straight line method as per useful life of the assets specified in schedule-II to the Companies Act, 2013. Depreciation on property, plant and equipment individually costing Rupees Five thousand or less is provided @ 100%. Depreciation on additions / deductions is provided on prorata basis.

In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

## **x. Inventories**

Course material is valued at lower of cost and net realizable value. Cost is determined by including material cost, and other expenditure directly attributable to its acquisition. Work in progress is valued at lower of estimated cost and net realizable value. Course material in transit is valued at cost.

## **x. Revenue Recognition**

(a) Interest Income:

Interest income is recognized on a time proportion basis taken into account the amount outstanding and the rate applicable.

## **xi. Taxes on Income**

Income tax expense comprises of Current Tax and Deferred Tax. It is recognized in the Statement of Profit & Loss except to the extent it relates to an item which is recognized directly in Equity or in Other Comprehensive Income, in which case, the same are recognized therein.

Current tax is ascertained based on taxable income computed in accordance with provisions of the Income-tax Act,1961.The deferred tax for timing difference between the book income and taxable income for the year is accounted using tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax assets arising from the timing difference are recognized to the extent there is reasonable certainty that sufficient future taxable income will be available.

## **xii. Foreign Currency Transactions:**

Transactions of purchases, expenditure and income in foreign currency are accounted for at the rate of exchange prevailing on the date of receipt of invoice and/or other relevant documents and the difference between this amount and the actual amount paid is charged to the Statement of Profit and Loss. Current liabilities and assets are translated at the year end rate and the difference is charged to the Statement of Profit and Loss. There are no foreign currency transactions during year.

## **xiii. Provisions and Contingent Liabilities/Assets:**

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of a resource will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liabilities are disclosed after an evaluation of the fact and legal aspects of the matter involved. Contingent assets are not recognized but disclosed by way of a brief description when an inflow of benefit is probable and if estimate of its financial effect is practicable. The provisions, contingent liability and assets are reviewed at each balance sheet date.

#### **xiv. Employees Benefits:**

##### **Defined Contribution Plan**

Company's contribution paid/payable during the year to employees provident fund, family pension fund and ESIC are recognised in the statement of Profit and Loss.

Liability on account of encashment of leaves to employees, considered as short term compensated expense, is provided at year end in the statement of Profit and Loss and is paid in subsequent year. The provisions of the same is not applicable on the company.

##### **Defined Benefit Plan**

Post-employment long term employee benefit in form of gratuity are considered as defined benefit plan and is provided in accounts as determined on Actuarial basis using the Projected Unit Credit Method at the balance sheet date.

Service Cost (Both Current and Past) and Net Interest Expenses or Income is recognized as expenses in the Statement of Profit and Loss.

Any difference between the interest income on plan assets and the return actually achieved and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustment within the plans are recognized immediately in Other Comprehensive Income and subsequently not reclassified to the Statement of Profit and Loss.

The Retirement Benefit Obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation reduced by the Fair Value of the Plan Assets. The provisions of the same is not applicable on the company.

#### **xv. Leases:**

Assets taken on lease under which lessor effectively retains all significant risks and rewards of ownership have been classified as operating lease. Lease payments made under operating lease are recognized as expense in the Statement of Profit & Loss on straight line basis over the primary term of the lease as mentioned in the lease agreement.

#### **xvi. Impairment:**

##### **Financial Assets (Other than at Fair Value):**

The company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired in compliance of Ind AS 109

**Non-Financial Assets:**

If internal/external indication suggest that an asset of the company may be impaired, the recoverable amount of the asset is determined on the balance sheet date and if it is less than its carrying amount, the carrying amount of asset is reduced to the said recoverable amount. The recoverable amount is measured as the higher of the fair value less cost of disposal and value of use of such asset which is determined by the present value of the estimated future cash flows.

Assessment is also done at each balance sheet date as to whether there is any indication that the impairment loss recognized in prior period may no longer exist or may be decreased, a reversal of an impairment loss for an asset is recognized in the Statement of Profit and Loss.

**xvii. Earnings per Share:**

Basic earnings per share is computed by dividing the net profits for the year attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

For Adarsh Kumar & Co

*Chartered Accountants*

ICAI Firm Registration number: 013300N

**Adarsh KumarAgarwal**

*Proprietor*

Membership No.087559

Place: New Delhi

Date: 28<sup>th</sup> June 2021

UDIN: 21087559AAAABB6746