



Capital India Finance Limited

(Formerly known as **Bhilwara Tex-Fin Limited**)

(Our Company was incorporated as Bhilwara Tex-Fin Limited on November 16, 1994 under the Companies Act, 1956 with the Registrar of Companies, Jaipur, Rajasthan. It received a Certificate for Commencement of Business on November 22, 1994. The name of our company was changed to Capital India Finance Limited and received the fresh certificate of incorporation on August 16, 2017. The Registered Office of our Company was shifted in December 2017 from 129, Transport Centre, Rohtak Road, Punjabi Bagh, New Delhi - 110 035 to its current premises at 2nd Floor, DLF Centre, New Delhi-110001.)

Corporate identification number: L74899DL1994PLC128577

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

Tel. No.: +91 011-49546000

Corporate Office: A-1402, One BKC, 14th Floor, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051

Tel. No.: +91 022-45036000

Company Secretary & Compliance Officer: Mr. Rachit Malhotra

E-mail: secreterial@capitalindia.com; **Website:** www.capitalindia.com

OUR PROMOTER: M/s Capital India Corp LLP

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF CAPITAL INDIA FINANCE LIMITED

DRAFT LETTER OF OFFER

ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (“EQUITY SHARES”) OF CAPITAL INDIA FINANCE LIMITED (“CIFL” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹[●] (INCLUDING SHARE PREMIUM OF ₹[●]) PER EQUITY SHARE (“ISSUE PRICE”) FOR AN AGGREGATE AMOUNT NOT EXCEEDING ₹ 52,500 LAKHS TO THE ELIGIBLE EQUITY SHAREHOLDERS ON RIGHTS BASIS IN THE RATIO OF [●] EQUITY SHARE FOR EVERY [●] EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, I.E. [●] (THE “ISSUE”). THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in relation to this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the issue have not been recommended or approved by the Securities and Exchange Board of India, (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Letter of Offer. **Investors are advised to refer to the section titled “Risk Factors” given on page 7 before making an investment in this Issue.**

ISSUER’S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that the Draft Letter of Offer contains all information with regard to the Issuer and the Issue, which is material in the context of this Issue, that the information contained in the Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes the Draft Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of our Company are listed on BSE Limited (BSE). We have received “in-principle” approval from BSE for listing the Equity Shares to be allotted in the Issue vide their letter dated [●]. For the purpose of this Issue, the Designated Stock Exchange is BSE.

LEAD MANAGER TO THE ISSUE		REGISTRAR TO THE ISSUE	
	SPA Capital Advisors Limited SEBI Reg. No.: INM 000010825 25, C - Block Community Centre, Janak Puri, New Delhi - 110 058 Tel.: +91 11 4567 5500, 2551 7371 Fax: +91 11 2553 2644 E-mail: cifl.rights@spagroupindia.com Investor Grievance e-mail id: grievances.mb@spagroupindia.com Website: www.spacapital.com Contact Person: Ms. Anchal Lohia		Indus Portfolio Private Limited SEBI Regn. No.: INR0000003845 G-65, Bali Nagar, New Delhi – 110 015 Tel.: +91 11 47671214, 47671217 Fax: +91 25449863 E-mail: cs.anamika@indusinvest.com Investor Grievance e-mail id: crm@indusinvest.com Website: www.indusinvest.com Contact Person: Ms. Anamika
ISSUE PROGRAMME			
ISSUE OPENS ON	LAST DATE FOR REQUEST FOR SPLIT APPLICATION FORMS		ISSUE CLOSES ON
[●]	[●]		[●]

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DEFINITIONS AND ABBREVIATIONS

In this Draft Letter of Offer, unless the context otherwise requires, the terms defined and abbreviations expanded below shall have the same meaning as stated in this section. The words and expressions used in this document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act; SEBI ICDR Regulations, the Depositories Act or the rules and regulations made thereunder. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

The following list of capitalized term used in this document is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Company Related Terms

Term	Description
“CIFL” / “Company” / “Issuer” / we / us / our	Unless the context otherwise requires, refers to, Capital India Finance Limited, a public limited company under the Companies Act
Articles of Association	The Articles of Association of our Company, as amended from time to time
Statutory Auditors / Auditors	The Statutory Auditors of our Company, M/s. Divyank Khullar and Associates , Chartered Accountants (Firm Registration No. 025755n)
Board of Directors / Board	The Board of Directors of our Company, unless specified otherwise
Directors / our Directors	The Director(s) on the Board of our Company, unless otherwise specified
Equity Shares	Equity share of our Company of face value Rs. 10/- each
Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time
Promoter	The promoter of our Company is M/s Capital India Corp LLP (Formerly Known as Trident Holdings LLP)
Registered Office	Registered Office of our Company situated at: 2 nd Floor, DLF Centre, Sansad Marg, New Delhi- 110 001
Subsidiary Company / Subsidiary/ Group Companies	The subsidiary companies of our Company, namely 1. Capital India Home Loans Limited 2. Capital India Wealth Management Private Limited 3. Capital India Asset Management Private Limited 4. CIFL Holdings Private Limited 5. CIFL Investment Manager Private Limited

Issue Related Terms

Term	Description
Abridged Letter of Offer	The Abridged Letter of Offer sent to Eligible Equity Shareholders of our Company with respect to this Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act.
Allotment / Allotted	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue
Allottee(s)	Persons to whom our Equity Shares will be issued pursuant to the Issue
Applicant(s) / Investor(s)	Eligible Equity Shareholders and / or Renouncees who are entitled to apply or have applied for Equity Shares under the Issue, as the case may be
ASBA / Application Supported by Blocked Amount	The application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the amount payable on application in the ASBA Account.
ASBA Account	Account maintained with an SCSB and specified in the CAF or plain paper application, as the case may be, for blocking the amount mentioned in the CAF, or the plain paper application, as the case may be.
ASBA Investor(s)	Eligible Equity Shareholders proposing to subscribe to the Issue through ASBA process and who are holding our Equity Shares in dematerialized form as on the Record Date and have applied for their Rights Entitlements and / or additional Equity Shares in dematerialized form; have not renounced their Rights Entitlements in full or in part; are not Renouncees; and are applying through blocking of funds in a bank account maintained with SCSBs. All QIBs, Non-Institutional Investors and other Investors whose application value exceeds ₹ 2,00,000/- complying with the above conditions must participate in this

Term	Description
	Issue through the ASBA Process only.
Banker(s) to the Issue	[●]
Composite Application Form / CAF	The form used by an Investor to make an application for the Allotment of Equity Shares in the Issue
Consolidated Certificate	The single certificate issued by our Company to each Allottee per folio to whom Equity Shares are allotted in physical form pursuant to the Issue.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange, a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Designated Branches	Such branches of the SCSBs which shall collect application forms used by ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Designated Stock Exchange	The Designated Stock Exchange for this Issue shall be BSE Limited
Draft Letter of Offer	The Draft Letter of Offer dated January 11, 2018, filed with SEBI for its observations, which does not contain complete particulars of the Issue.
Eligible Equity Shareholder(s)	Equity Shareholders of our Company as on the Record Date
Equity Shares	Fully paid up equity shares of our Company having a face value of ₹ 10 each
Issue / Rights Issue	Issue of [●] Equity Shares of face value of ₹ 10/- each ("Equity Shares") of Capital India Finance Limited ("CIFL" or the "Company" or the "Issuer") for cash at a price of ₹ [●] (including share premium of ₹ [●]) per Equity Share ("Issue Price") for an aggregate amount of ₹ 52,500 lakhs to the Eligible Equity Shareholders on rights basis in the ratio of [●] Equity Share for every [●] Equity Shares held by the Eligible Equity Shareholders on the record date, i.e. [●].
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Price	₹[●] per Equity Share
Issue Proceeds	The monies received by our Company pursuant to the issue of Equity Shares on Rights basis which are allotted pursuant to the Issue
Issue Size	The issue of [●] Equity Shares aggregating to ₹ 52,500 Lakhs
Lead Manager	SPA Capital Advisors Limited
Listing Agreement	The listing agreement entered into between us and the Stock Exchanges
Non Institutional Investor(s)	Non institutional investor as defined under Regulation 2(1)(w) of the SEBI ICDR Regulations.
"Qualified Foreign Investor(s)" / "QFI(s)"	Qualified Foreign Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 (as amended), registered with SEBI under applicable laws in India. A Qualified Foreign Investor may buy, sell or otherwise continue to deal in securities without registration as Foreign Portfolio Investors subject to compliance with conditions specified in the SEBI (Foreign Portfolio Investors) Regulations, 2014
Qualified Institutional Buyer(s) / QIB(s)	shall have the meaning given to it in Regulation 2(1) (zd) of SEBI ICDR Regulations
Record Date	[●]
Registrar / Registrar to the Issue	Indus Portfolio Private Limited (SEBI Regn. No.: INR000003845) having its office at G-65, Bali Nagar, New Delhi – 110 015
Renouncees	Any person(s) who has / have acquired Rights Entitlements from the Eligible Equity Shareholders
Restated Financial Statements	Audited financial Statements for Fiscal 2013, 2014, 2015, 2016 and 2017 and restated consolidated for the seven month period ended October 31, 2017 prepared in accordance with applicable provisions of Companies Act and restated in accordance with SEBI ICDR Regulations.
Rights Entitlement	The number of Equity Shares that an Eligible Equity Shareholder is entitled, that is determined as a proportion to the number of Equity Shares held by such Eligible Equity Shareholder on the Record Date, i.e., [●] Equity Share for [●] Equity Shares held on [●].
Self-Certified Syndicate	Self-Certified Syndicate Bank(s), registered with SEBI, which acts as a Banker to

Term	Description
Bank / SCSB	the Issue and which offers the facility of ASBA. A list of all SCSBs is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Share Certificate	The certificate in respect of the Equity Shares allotted to a folio
SAF	Split Application Form
Stock Exchange	BSE Limited (BSE), where our Equity Shares are presently listed
Working Day	Working Day of SEBI

Conventional / General Terms and Abbreviations

Term	Description
BSE	BSE Limited
Companies Act	Means the Companies Act, 1956 or the Companies Act 2013, as may be applicable, as amended or substituted by any statutory modification / re-enactment thereof
CDSL	Central Depository Services (India) Limited
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository / Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time, in this case being NSDL and CDSL
Depository Participant / DP	A depository participant as defined under the Depositories Act
ECS	Electronic Clearing System
EGM	Extra Ordinary General Meeting
EPS	Earnings per Equity Share
ESOP	Employees Stock Option Plan
FCCB	Foreign Currency Convertible Bonds
FIs	Financial Institutions
Foreign Portfolio Investor / FPI	Foreign portfolio investor as defined under SEBI (Foreign Portfolio Investors) Regulations, 2014
Financial Year / Fiscal Year / FY	Twelve months period ended March 31 of a year
FVCI	Foreign venture capital investor, registered with SEBI under Regulation 2(h) of the SEBI (Foreign Venture Capital Investor) Regulations, 2000
GoI	Government of India
HUF	Hindu Undivided Family
Indian GAAP	The generally accepted accounting principles in India
IT Act	Income Tax Act, 1961
Listing Agreement	The equity listing agreement signed between our Company and the Stock Exchange
NBFC	Non- Banking Financial Company
Non Residents	All Bidders who are not NRIs or FIIs and are not persons resident in India
NSDL	National Securities Depository Limited
RBI	Reserve Bank of India
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992, as amended
SEBI Act, 1992	Securities and Exchange Board of India Act, 1992, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended

Technical / Industry related terms

Term	Description
AFC	Asset Finance Company
ACH	Automated Clearing House
CIC	Core Investment Company
CIC –ND	Core Investment Company – Non Deposit
CRAR	Capital to Risk (Weighted) Assets Ratio
ECS	Electronic Clearing System
FDI	Foreign Direct Investment
FPC	Fair Practices Code
GNPAs	Gross Non-Performing Assets
HFCs	Housing Finance Companies
IC	Investment Company
IDF	Infrastructure Debt Fund
IFC	Infrastructure Finance Company
IIP	Index of Industrial Production
KYC	Know Your Customer
LC	Loan Company
MFI	Micro Finance Institution
MGC	Mortgage Guarantee Companies
NBFC	Non-Banking Financial Company
NBFC - ND	Non-Banking Financial Company – Non Deposit
NBFC -NDSI	Non-Banking Financial Company – Non Deposit Systemically Important
NIC	National Industrial Classification
NOFHC	Non-Operative Financial Holding Company
NPA	Non- Performing Asset
RBI	Reserve Bank of India

CURRENCY OF FINANCIAL PRESENTATION

In the Draft Letter of Offer, unless the context otherwise requires, the currency is “Indian Rupees/ Rs./ INR/ ₹”. All references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “ten lac / lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crores”. In the Draft Letter of Offer, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Throughout the Draft Letter of Offer, unless otherwise stated, all figures have been expressed in Lakhs and / or millions. Unless indicated otherwise, the financial data in the Draft Letter of Offer is derived from our Company’s restated audited financial statements for Financial years ending 2017, 2016, 2015, 2014 and 2013 prepared in accordance with Indian GAAP, applicable accounting standards and guidance notes issued by the ICAI, the applicable provisions of the Companies Act and other statutory and / or regulatory requirements and are included in the Draft Letter of Offer as required under the SEBI ICDR Regulations. In the Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

For additional definitions used in the Draft Letter of Offer, see the section ‘Definitions and Abbreviations’ on page 1 of the Draft Letter of Offer.

USE OF MARKET DATA

Unless stated otherwise, market data used throughout the Draft Letter of Offer was obtained from internal Company reports, data, websites and industry publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Neither the Company nor the Lead Manager makes representation as to the accuracy of the statement as they have not independently verified the same.

FORWARD LOOKING STATEMENTS

Certain statements in the Draft Letter of Offer are not historical facts but are “forward-looking” in nature. Forward looking statements appear throughout the Draft Letter of Offer, including, without limitation, under the chapters “Risk Factors”. Forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our competitive strengths and weaknesses, our business strategy and the trends we anticipate in the industry and the political and legal environment, and geographical locations, in which we operate, and other information that is not historical information.

Words such as “aims”, “anticipate”, “believe”, “could”, “continue”, “estimate”, “expect”, “future”, “goal”, “intend”, “is likely to”, “may”, “plan”, “predict”, “project”, “seek”, “should”, “targets”, “would” and similar expressions, or variations of such expressions, are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

By their nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved.

These risks, uncertainties and other factors include, among other things, those listed under “Risk Factors”, as well as those included elsewhere in the Draft Letter of Offer. Prospective investors should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited, to:

- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Increasing competition in or other factors affecting the industry segments in which our Company operates;
- Changes in laws and regulations relating to the industries in which we operate;
- Our ability to meet our capital expenditure requirements and/or increase in capital expenditure;
- Fluctuations in operating costs and impact on the financial results;
- Our ability to attract and retain qualified personnel;
- Changes in technology in future;
- Changes in political and social conditions in India or in countries that we may enter, the monetary policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally; and
- Any adverse outcome in the legal proceedings in which we are involved.

For a further discussion of factors that could cause our actual results to differ, please refer to “Risk Factors” on page 7 of the Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither we nor the Lead Manager make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. Neither we nor the Lead Manager nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI / Stock Exchanges requirements, we and Lead Manager will ensure that the Eligible Equity Shareholders are informed of material developments until the time of the grant of listing and trading permissions by the Stock Exchanges.

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in the Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks and uncertainties described in this section are not the only risks we may face. If any of the following risks actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. Unless otherwise stated in the relevant risk factors set below, we are not in a position to specify or quantify the financial or other implications of any risk mentioned herein. In making an investment in this Issue, prospective investors must rely on their own examination of our Company and terms of the Issue.

Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Financials as given in chapter “Financial Statements” on page 108 of this Draft letter of Offer

INTERNAL RISK FACTORS

- 1. Our Company, Directors, Promoters and Group Companies are party to certain taxation proceedings that, if determined against them, may have a material adverse impact on our business and financial conditions of our company.***

Our Company, Directors, Promoters and Group Companies are not party to any legal proceedings except taxation matters. No assurances can be given as to whether these proceedings will be settled in their favor or against them. If a claim is determined against them, it could have an adverse effect on the results of operations. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current or long term liabilities or reduce our cash and bank balance. For further details of the cases mentioned above, please see “Outstanding Litigations and Material Developments” on page 168 of the Draft Letter of Offer.

- 2. The requirement and deployment of the net proceeds of the Issue have not been independently appraised and are based on management estimates.***

Our fund requirement and deployment of net proceeds of this Issue have not been appraised by any bank or financial institution and are based on our management estimates. We may have to revise our management estimates from time to time and consequently our funding requirements may also change. Our audit committee shall monitor utilisation of funds.

- 3. As an NBFC, we are subject to periodic inspections by the RBI. Non-compliance with observations made by RBI during these inspections could expose us to penalties and restrictions.***

Under section 45N of the Reserve Bank of India, 1934 (“**RBI Act**”) we are subject to periodic inspections by the RBI to verify correctness or completeness of any statement, information or particulars furnished to the RBI for the purpose of obtaining any information or particulars which our Company has failed to furnish on being called upon to do so. While we may respond to RBI and address such observations; there can be no assurance that the RBI will not make similar or other observations in the future. If we are unable to resolve such deficiencies to RBI’s satisfaction, our ability to conduct our business may be adversely affected. Imposition of any penalty or adverse findings by the RBI during the ongoing or any future inspections may have an adverse impact on our business prospects, financial condition and results of operations.

- 4. Our business is vulnerable to interest rate risk and volatility in interest rates which could adversely affect our income from our operations, our financial performance and adversely affect our profitability.***

An increase in interest rates applicable to our liabilities, without a corresponding increase in interest rates applicable to our assets shall result in a net decline in our income from financing activity. Changes in the RBI policies such as Repo rate, CRR etc. and other market factor which impact the interest rate or lending environment in the Country may impact our company. Furthermore, in the event of rising rates our

customers who usually pay a fixed interest rate may not be willing to pay correspondingly higher interest rates on their borrowings and may choose to repay their loans with us if they are able to switch to more competitively priced loans offered by our competitors. In addition, potential customers may be deterred from entering into any financing arrangements in an increasing interest rate scenario. Any inability on our part to retain or attract customers because of rising interest rates may adversely affect our earnings in future periods. Interest rates are volatile and are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors.

5. *We expect to face intense competition in our lending business, which may result in declining margins if we are unable to compete effectively.*

Our competitors in the lending business include established scheduled commercial banks, NBFCs, small finance banks and other financial institutions that offer similar financing products and services. Many other financial institutions or other businesses that do not currently offer products or services in the customer lending space, many of whom may be much larger than us, could begin doing so. In addition, due to the nature of this business, we may lose our customers to other companies involved in the same business. Significant increases in the number and size of competitors for our business could result in a decrease in the number of loans that we fund, resulting in lower levels of revenue and earnings in these categories. Many of our competitors may have operational advantages in terms of access to cost-effective sources of funding, in implementing new technologies and in rationalising related operational costs.

The RBI has liberalised the licensing regime for banks in India and intends to issue licenses on an ongoing basis, subject to meeting the criteria laid down by RBI. The RBI is supportive of creating more specialized banks and granting differentiated banking licenses such as for payment banks and small finance banks. The RBI also has plans to create wholesale and long-term finance banks in the near future. In November 2014, the RBI released guidelines for licensing of payment banks and for licensing of small finance banks in the private sector. On August 19, 2015 the RBI granted in-principle approval to 11 applicants to set up payment banks. In September 2015, the RBI granted in-principle licenses to 10 applicants for small finance banks. The RBI has also released guidelines with respect to a continuous licensing policy for universal banks in August 2016. The RBI has also put in the public domain, on April 7, 2017, a discussion paper on wholesale and long-term finance banks. We believe that these developments will further intensify the competition in the financial services sector. Some of the public, private sector, and foreign banks have subsidiaries and affiliates operating as NBFCs with significant market share, distribution reach and product portfolio, and we also compete with them for our lending business. Liberalisation of the Indian financial services sector could also lead to a greater presence or new entries of Indian and foreign banks, NBFCs and other entities operating in the financial services sector offering a wider range of products and services, including personal loans, which could adversely affect our competitive environment. There can be no assurance that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive retail and SME loans business. Increasing competition may also result in relatively slower growth and lower net interest margin, and consequently may have an adverse effect on our results of operations and financial condition.

Competitors of our business may operate, or begin to operate, under business models less focused on legal and regulatory compliance, which could put us at a competitive disadvantage. Competitors using these models may be able to lend in a manner that we are not able to or may have higher revenue per customer. To the extent that our customer lending model or other new lending models gain acceptance among customers and small businesses, demand for our products may be adversely affected. We may be unable to compete successfully against any or all of our current or future competitors. Any such changes in our competition could materially adversely affect our business, prospects, results of operations, financial condition and cash flows.

6. *Our business will require substantial funds, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition.*

Our liquidity and profitability are, in large part, dependent upon our timely access to, and costs associated with raising capital including both debt and equity. Our business depends and will continue to depend on our ability to access diversified low-cost funding sources. As a financial services company, we face certain additional regulatory restrictions on our ability to obtain financing from banks. Further, under

Indian Law, foreign investors are subject to investment restrictions that may limit our ability to attract foreign investors or capital from overseas investors.

Pursuing our growth strategy and introducing new product offerings to our customers will have an impact on our long-term capital requirements. With the growth of our business, we may be increasingly reliant on funding from debt capital markets. The market for such funds is competitive and our ability to obtain funds at competitive rates will depend on various factors. If we are unable to access funds at an effective cost that is comparable to or lower than our competitors, we may not be able to offer competitive interest rates for our loans. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors, including the regulatory environment and policy initiatives in India, lack of liquidity in the market, developments in the international markets affecting the Indian economy, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs, and our current and future results of operations and financial condition. If we are unable to obtain adequate financing or financing on terms satisfactory to us and in a timely manner, our ability to grow or support our business and to respond to business challenges could be limited and our business prospects, financial condition and results of operations would be materially and adversely affected.

7. *We depend heavily on our Key Management Personnel, and loss of the services of one or more of our Key Executives or Key Management Personnel could weaken our management team.*

Our success largely depends on the skills, experience and efforts of our Key Management Personnel and on the efforts, ability and experience of key members of our management staff. Our Key Management Personnel have extensive experience that are critical to the operation of our business. Our Board of Directors includes bankers who have varied experience in financing and lending. For further details see “Our Management” on page 84. Individuals with industry-specific experience are scarce, and the market for such individuals is highly competitive. As a result, we may not be able to attract and retain qualified personnel to replace or succeed our Key Management Personnel or other key employees, should the need arise. The loss of services of one or more members of our Key Management Personnel or any of our other management staff could weaken our management expertise significantly and our ability to undertake our business operations efficiently. This could have a material adverse effect on our business, financial condition and results of operations.

8. *Our Promoters may have the ability to determine the outcome of any shareholder resolution.*

Our Promoter Group is the largest shareholder of our Company holding 63.73% of the pre issue capital. Our promoters have given undertaking that the promoter group will subscribe in the rights issue at least to the extent of their entitlement. As a result, our promoter group will continue to be the largest shareholders, of post-issue equity capital of our company. As significant shareholders, our Promoters may have interests which may affect the interests of shareholders and /or our interests and may have the ability to determine the outcome of any shareholder resolution.

9. *We do not have any patent or trademark registered in our name.*

Our logo and trademarks are not owned by us and are owned by our promoter Capital India Corp LLP. We understand that Capital India Corp LLP is in the process of registration of Logo and Trademark and other associated intellectual property rights. There could be some dispute or objection from any third party who may allege similarity of our logo with their logo. Any delay in obtaining registration of the logo by our Promoter or any dispute with our Promoter regarding the use of our logo may have an adverse impact on business prospects, financial condition and results of operations.

10. *Our registered office and other premises from which we operate are not owned by us.*

We do not own the premises from which our registered office and corporate offices are functioning. We operate from leased premises in respect of which we have entered into lease / license agreement. If these leases are not renewed or renewed on terms and conditions which are unfavorable to us, we may suffer a disruption in our operations which could have a material adverse effect on our business, financial condition and results of operations.

11. Our Company had negative cash flows during the preceding financial years. Inability to earn positive cash flows may have an adverse effect on the business operations of our Company.

Our Company had negative cash flows from operating activities in four of the preceding five financial years.

(Rs. In Lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Net Cash from operating activities	(3,880.74)	424.94	(4,075.26)	(281.12)	(252.61)

Our Company had negative cash flows from Financing Activities in one of the preceding five financial years

(Rs. In Lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Net Cash from Financing activities	8,934.72	(429.58)	4,080.87	282.00	250.00

If we do not generate sufficient amount of cash from operations, our liquidity and our ability to service our indebtedness and fund our operations would be adversely affected.

12. Certain of our promoter group entities have incurred losses during recent fiscal years.

Some of our Promoter Group entities have incurred losses in the last three fiscal years, details of which are given below:

(Rs. In Lakhs)

Name of the Company	March 31, 2017	March 31, 2016	March 31, 2015
Trident Infratech Private Limited	(30.95)	(5.13)	14.66
Trident Infracore Private Limited	(0.25)	(0.17)	(0.11)
Trident Buildwell Private Limited	(126.88)	(100.47)	(21.54)
Trident Buildtech Private Limited	(139.95)	(76.48)	(6.87)
Trident Realtech Private Limited	0.35	(5.01)	(0.15)
Trident Realcon Private Limited	(0.20)	(0.23)	(0.17)
Trident Infra Realty India Private Limited	(75.89)	(18.10)	(0.17)
Millennium Infrapromoters Private Limited	(0.12)	(0.13)	(0.08)
Kalindi Projects Private Limited	(2.64)	(2.68)	(0.32)
Sahyog Homes Limited	1.60	0	(478.18)
Sahyog Builders And Developers Private Limited	(0.22)	-	-
Sitara Realities Private Limited	(0.49)	(0.30)	(0.53)
Legend Fly Private Limited	(18.52)	-	-
Universal Airways Private Limited	(92.31)	51.36	(462.87)

Further one of the Directors Mr. Yogesh Balkrishna Jadhav of Sahyog Homes Limited is disqualified from Directorship in Annan Infrastructure Private Limited and Calvin Real Estate Private Limited.

13. As part of our lending business, we may rely on third party data sources to perform certain key functions and any failure to access those data sources as a result of operational or technological failure, including cybersecurity attacks on our third-party data sources could result in the interruption of our operations and systems and could result in significant costs and reputational damage to us.

As part of its lending business, we may rely on third party data sources for certain information, such as “Aadhar” or unique identification number, of loan applicants based on which the data analytics software will be able to process the information. For instance, the applicant’s details will be sourced from various websites, payment bureau and third-party vendors and settlement of funds will be facilitated by payment processing systems by linking the data analytics software to such websites. Some of these third-party data sources are currently, and may, in the future, be vulnerable to data privacy violation claims. If these

claims are established and these data sources are no longer available to us, we will have to find alternate sources for such data which may increase our operational costs and adversely impact our results of operations. These third-party data sources are also susceptible to operational and technology vulnerabilities and are also exposed to changes in regulations, which may impact our business. In addition, these third-party data sources may rely on other parties (sub-contractors), to provide services to us which also face similar risks. For example, external content providers provide us with financial information, market news, quotes, research reports and other fundamental data that we offer to clients.

Any significant failures or security breaches by or of our third party data sources or their sub-contractors, including any actual or perceived cybersecurity attacks, security breaches, fraud, phishing attacks, acts of vandalism, information security breaches and computer viruses which could result in unauthorized access, misuse, loss or destruction of data, an interruption in extraction of data or other similar events could interrupt our business, cause us to incur losses, subject us to fines or litigation and harm our reputation. An interruption in or the cessation of service by any third-party data source and our inability to make alternative arrangements in a timely manner could have a material impact on our ability to offer certain products and services and cause us to incur losses. We cannot assure that any of these third-party data sources or their subcontractors will be able to continue to provide their products and services in an efficient, cost effective manner, if at all, or that they will be able to adequately expand their services to meet our needs and those of our customers. We may incur significant additional costs to implement enhanced protective measures and technology, to investigate and remediate vulnerabilities or other exposures or to make required notifications.

14. *We are exposed to operational and credit risks which may result in NPAs, and we may be unable to control or reduce the level of NPAs in our portfolio*

The Non-Performing Assets (NPA) as on March 31, 2017, consisting of principal loans outstanding where payments of installments were in arrears for 90 days or more are nil. However, the Company's inability to control the number and value of its NPAs may lead to deterioration of the quality of its loan portfolio and may adversely impact its business. Further, if our customers default in their repayment obligations, our business, results of operations, financial condition and cash flows may be adversely affected.

15. *We may not be able to recover our loans on a timely basis, or at all, the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under such defaulted loans. Our inability to recover outstanding amounts under loans may adversely affect our business.*

We provide secured as well as unsecured loans. Secured loans are generally secured by collateral such as land, building, plant machinery and/or any other immovable or immovable asset(s) or other guarantee. In some cases, we collect post dated cheques from our customers at the time of disbursement. However, there can be no assurance that these instruments would be honoured when submitted to the respective banks for clearance. In case of a dishonour of instrument, we liaise with customers to work out a payment plan; however, there can be no assurance that we would be able to successfully retrieve payments due to us.

There can be no assurance that we will be able to sell such machinery, stock, vehicles or equipment or properties provided as collateral at prices sufficient to cover the amounts under default, or that we would be able to invoke other securities, such as personal guarantees. In addition, there may be delays associated with such processes. Further, certain ownership documents of the immovable properties that are mortgaged to us may not be duly registered or adequately stamped. Failure to adequately stamp and register a document renders the document inadmissible in evidence. Consequently, should any default arise in relation to the corresponding loans, we may be unable to, or may incur additional expenses to, enforce our rights in relation to such mortgaged properties. Further, if any of our borrowers take recourse of arbitration or litigation against our repayment claims, it may cause a further delay in our recovery process leading to depreciation of the secured asset. A failure or delay in recovering the expected value from sale of collateral security could expose us to a potential loss. Any such losses could adversely affect our business prospects, financial condition and results of operations.

- 16. Any adverse credit ratings would increase borrowing costs and constrain our access to capital and lending markets and, as a result, would negatively affect our net interest margin and our business.**

The cost and availability of capital would be dependent on our short-term and long-term credit ratings. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Any adverse credit ratings would increase borrowing costs and constrain our access to capital and debt markets and, as a result, negatively affect our net interest margin and our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future. The ratings provided by the rating agencies may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions.

- 17. We may face asset-liability mismatches, which could affect our liquidity and consequently may adversely affect our operations and profitability.**

Assets and liability mismatch ("ALM") represents a situation when financial terms of an institution's assets and liabilities do not match. ALM is a key financial parameter indicative of an NBFC's performance. We cannot assure you that we will be able to maintain a positive ALM always. We may rely on funding options with short term maturity periods for extending long term loans, which may lead to a negative ALM. Further, mismatches between our assets and liabilities are compounded in case of pre-payment of financing facilities we grant to customers. Any mismatch in our ALM, may lead to a liquidity risk and have an adverse effect on our business prospects, financial condition, results of operations and profitability.

- 18. The underlying property is the primary security for the loans disbursed by any housing Company. In the event of default, our subsidiary may not be able to realize the expected value of the collateral on loans due to fluctuating real estate prices and/or enforce the security under the SARFAESI Act.**

Housing market conditions prevailing in the economy affect the value of underlying securities significantly. The underlying property is the primary security for the loans to be disbursed by our subsidiary. Adverse market conditions and downward movement in real estate prices may deteriorate the value of securities taken by us. Failure to recover the expected value of collateral could expose our subsidiary Company to losses and, in turn, result in a material adverse effect on our business, results of operations and financial condition. Following the introduction of the SARFAESI Act and the subsequent extension of its application to HFCs, we are allowed to foreclose on collaterals after 60 days' notice to a borrower whose loan has been classified as nonperforming. Although the enactment of the SARFAESI Act has strengthened the rights of creditors by allowing expedited enforcement of security in an event of default, there is still no assurance that our subsidiary will be able to realize the value of our security, in full or in part. Delays on our part to take immediate action, delays in bankruptcy foreclosure proceedings, economic downturns, defects in security and fraudulent transfers by borrowers, may hinder the ability to realize the full value of security.

- 19. Security breaches of customers' confidential information that we store may harm our reputation and expose us to liability.**

We store customers' bank information, credit information and other sensitive data. Any accidental or willful security breaches or other unauthorized access could cause the theft and criminal use of this data. Security breaches or unauthorized access to confidential information could also expose us to liability related to the loss of the information, time-consuming and expensive litigation and negative publicity. If security measures are breached because of third party action, employee error, malfeasance or otherwise, or if design flaws in our software are exposed and exploited, and, as a result, a third party obtains unauthorized access to customer data, our relationships with customers will be severely damaged, and we could incur significant liability. Further, we engage with certain third party service providers, and although our contracts with them restrict the usage of client data and impose protective precautions, there can be no assurance that they will abide by such contractual terms or that the contracts will be found to be in compliance with data protection laws. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until they are launched against a target, we and our third party hosting facilities may be unable to anticipate these techniques or to

implement adequate preventative measures. In addition, we may be required under applicable regulations to notify individuals of data security breaches involving their personal data. These mandatory disclosures regarding a security breach are costly to implement and often lead to widespread negative publicity, which may cause customers to lose confidence in the effectiveness of our data security measures. Any security breach, whether actual or perceived, would harm our reputation, and result in lost customers, which could in turn have a material adverse effect on our business, prospects, results of operations, financial condition or cash flows.

20. *Credit and other information that we receive from third parties about a borrower may be inaccurate or may not accurately reflect the borrower's creditworthiness, which may cause us to inaccurately underwrite loans.*

We may obtain credit information from credit bureaus, and our lending business involves underwriting based on our credit scoring models. Our credit scoring models consider reported credit score, other information reported by credit bureaus and the requested loan amount, in addition to a variety of other factors. A credit score assigned to a borrower may not reflect that borrower's actual creditworthiness because the credit score may be based on outdated, incomplete or inaccurate customer reporting data, and we do not verify the information obtained from the borrower's credit report. Additionally, there is a risk that, following the date of the credit report that we obtain and review, a borrower may have become past due in the payment of an outstanding obligation; defaulted on a pre-existing debt obligation; taken on additional debt; or sustained other adverse financial events. If large numbers of borrowers default on loans that are not decisioned correctly, this could have a material adverse effect on our business, prospects, results of operations, financial condition or cash flows.

21. *If we are unable to comply with the capital adequacy requirements stipulated by the RBI in connection with our lending business, our business, results of operations and cash flows may be materially and adversely affected.*

Our lending business, is subject to various regulations relating to the capital adequacy of NBFCs, which determine the minimum amount of capital we are required to maintain. Details of our Assets, Liabilities and Capital Base are provided in chapter on 'Financial Statements' on page no 108. There have been breaches in complying with some of these provisions relating to capital adequacy. The proposed Rights Issue is aimed at strengthening our capital base in order to be compliant with relevant regulation governing capital adequacy.

However, there can be no assurance that we will be able to maintain CRAR within the regulatory requirements. Further, as we grow our lending business loan portfolio, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios with respect to such business. There can be no assurance that we will be able to raise adequate additional capital in the future on favourable terms, or at all. This could result in non-compliance with applicable capital adequacy ratios, which could have a material adverse effect on our business, results of operations and cash flows. Also, there is no assurance that RBI will not take any action for breaches in capital adequacy norms by our Company in the past and at present. This could materially adversely affect our business, prospects, results of operations, financial condition and cash flows and could impair our ability to continue current operations and in extreme case, may lead to suspension/ cancellation/ withdrawal of our license to operate as an NBFC.

22. *An inability to manage our growth in our relatively new lending business may place significant demands on our management and our infrastructure and could be costly*

If we achieve significant rapid growth in our lending business, such growth may place significant demands on our management and our operational and financial infrastructure. Expanding our products or entering into new jurisdictions with new or existing products or undertaking corporate actions such as, amongst others, mergers, reverse mergers and takeovers, can be costly and require significant management time and attention. Additionally, as our operations grow in size, scope and complexity and our product offerings increase, we will need to enhance and upgrade our systems and infrastructure to offer an increasing number of enhanced solutions, features and functionality. The expansion of our systems and infrastructure will require us to commit substantial financial, operational and technical resources in advance of an increase in the volume of business, with no assurance that the volume of business will increase. Continued growth could also strain our ability to maintain reliable service levels for our customers, develop and improve our operational, financial and management controls, develop and

enhance our legal and compliance controls and processes, enhance our reporting systems and procedures and recruit, train and retain highly skilled personnel. Competition for these personnel is intense and is particularly intense for technology and analytics professionals. We may not be successful in attracting and retaining qualified personnel and may face difficulty in hiring and retaining highly skilled employees with appropriate qualifications. Many of the companies with which we compete for experienced personnel may have greater resources or more attractive compensation mixes than we have had. Managing our growth will require significant expenditures and allocation of valuable management resources. Failure to achieve the necessary level of efficiency in our organization as it grows could materially adversely affect our business, prospects, results of operations, financial condition and cash flows and could impair our ability to continue current operations.

23. *Due to the limited information regarding loan servicing histories of customers in India, we may be at a higher risk compared to financial sector companies with lending operations in more developed countries.*

We depend on the accuracy and completeness of information furnished by the customers and counterparties and any misrepresentation, errors or incompleteness of such information could cause our business to suffer. Our principal activity is providing financing to borrowers. The credit risk of our borrowers may be higher than in other economies due to the higher uncertainty in our regulatory, political and economic environment and the inability of our borrowers to adapt to global technological advances. In addition, India's system for gathering and publishing statistical information relating to the Indian economy generally or specific economic sectors within it or corporate or financial information relating to companies or other economic enterprises is not as comprehensive as those of several countries with established market economies.

The difficulties associated with the inability to accurately assess the value of collateral and to enforce rights in respect of collateral, along with the absence of such accurate statistical, corporate and financial information, may decrease the accuracy of our assessments of credit risk, thereby increasing the likelihood of borrower default on our loan and decreasing the likelihood that we would be able to enforce any security in respect of such a loan or that the relevant collateral will have a value commensurate to such a loan. Moreover, the availability of accurate and comprehensive credit information on retail customers and small businesses in India is more limited than for larger corporate customers, which reduces our ability to accurately assess the credit risk associated with such lending. Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our non-performing and restructured.

24. *If we fail to identify, monitor and manage risks and effectively implement our risk management policies, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.*

We have devoted significant resources to develop our risk management policies and procedures and plan to continue to do so in the future. There can however be no assurance that our policies and procedures to identify, monitor and manage risks will be fully effective. Some of our risk management systems may not be automated and could be subject to human error, while certain of our risk management methods are based on observed historical market behaviour. As a result, these methods may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures. To the extent any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risk are not effective, we may not be able to mitigate effectively our risk exposures in particular market environments or against particular types of risk. Further, some of our risk management strategies may not be effective in a difficult or less liquid market environment, where other market participants may be attempting to use the same or similar strategies to deal with the difficult market conditions. In such circumstances, it may be difficult for us to reduce our risk positions due to the activity of such other market participants. Other risk management methods depend upon an evaluation of information regarding markets, clients, borrowers or other matters. This information may not in all cases be accurate, complete, up-to-date or properly evaluated. Our earnings in the lending business are dependent upon the effectiveness of our management of changes in credit quality and risk concentrations, the accuracy of our valuation models and our critical accounting estimates and the adequacy of our allowances for loan losses. To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses. If we fail to effectively implement our risk management policies, it could materially and adversely affect our business, financial condition, results of operations and cash flows.

25. *We have entered into a number of related party transactions. There can be no assurance that entering into such transaction with related parties will be the most beneficial option for our Company.*

We have entered into a number of related party transactions with our Subsidiaries, Promoter, Promoter Group entities, Directors / Key managerial Personnel. The amount of related party transactions in last three financial years as per restated standalone financial statements is given below:

(Rs. In Lakhs)

F.Y 2017	F.Y. 2016	F.Y. 2015
Amount	Amount	Amount
7,155.20	1,537.77	9,488.05

For further details on related party transactions, see the chapter titled “Financial Statements” on page 108 of the Draft Letter of Offer.

Our Company’s policy on transactions with related parties is that such transactions are conducted on normal commercial terms in the ordinary and normal course of business. Our Company may enter into additional transactions with its related parties in the future. Although regulations in India do require disclosure of related party transactions in a listed company’s financial statements, such regulations do not require shareholders’ approval or an independent assessment of connected or related party transactions. As a result, there is no independent verification that the terms of such transactions or that any of our Company’s transactions with its related parties will benefit our Company.

26. *The interests of our Directors may cause conflicts of interest in the ordinary course of our business.*

One of our Directors, Mr. Vineet Saxena is a non-executive director in another NBFC which may cause conflict of interest in our business. We will enter into an arrangement with him for protection of interest of company against any potential conflict of interest. However, we cannot assure you that such arrangements would be enough to protect the interest of our Company against any current or potential conflict of interests.

Mr. Keshav Porwal, Managing Director of our company has been associated with other companies involved in Real Estate development business of the Promoters. This may have conflict of interest with our company.

27. *Our Company requires a number of approvals, licenses, registrations and permits in the ordinary course of our business(es) and the failure to obtain or renew them in a timely manner may adversely affect its operations.*

We require a number of approvals, licenses, registrations and permits for our business(s) including a registration of our subsidiary with NHB as a Housing Finance Company. Additionally, we may need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course. There are certain registrations / permits / licenses that have not been obtained by our Company for our business(s). For details, please refer to section titled “Government and Other Approvals” on page 175 of the Draft Letter of Offer. Furthermore, the government approvals and licenses are subject to various conditions. If we fail to comply, or a regulator claims that our Company has not complied with these conditions, our business, financial position and operations would be materially adversely affected.

28. *Any future equity offerings or issue of options under employee stock option or employee stock purchase scheme may lead to dilution of investor’s shareholding in our company.*

Purchasers of Equity Shares in this Issue may experience dilution of their shareholding to the extent we make future equity offerings and to the extent we decide to grant options to be issued under an employee stock option or employee stock purchase scheme.

29. *Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.*

Our company has not declared any dividend during the preceding five financial years. The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will be able to pay dividends.

30. *Our Subsidiaries may not pay dividends on shares that we hold in them or may not contribute adequate revenue on a consolidated basis, year on year. Consequently, our Company may not receive any return on investments in our Subsidiaries.*

Our Subsidiaries are separate and distinct legal entities, having no obligation to pay dividends and may be restricted from doing so by law or contract, including applicable laws, charter provisions and the terms of their respective financing arrangements. We cannot assure you that our Subsidiaries will generate sufficient profits and cash flows, or otherwise be able to pay dividends to us in the future. Further, our Subsidiaries may not contribute adequate revenue on a consolidated basis, year on year, owing to various internal and external factors, which may consequently affect our results of operations and financial condition.

31. *Our revenues and expenses may vary significantly from period to period, which could cause our share price to fluctuate. Past financial performance may not be an indicative of any future periods*

Our revenues and profit may vary significantly in the future. We have been recently in December 2017, taken over by new management which have growth plans for our company. Therefore, we believe that period-to-period comparisons of our results of operations may not be necessarily meaningful and may not be relied upon as an indication of our future performance. It is possible that in the future some of our results of operations may be below the expectations of market analysts and our investors, which could cause the share price of our Equity Shares to decline significantly.

32. The new management took over from November 27, 2017 and present Promoter completed the acquisition of shares from erstwhile promoter of our Company and through Open offer from public shareholders in December, 2017 and although the new management has undertaken every care reasonably possible while taking over, there may be possible lapses in regulatory compliance, adherence to regulatory norms (which may or may not be material), business operations which could have an impact on our company business, performance.

33. *Our insurance coverage may not adequately protect us against certain operating hazards and this may have an adverse effect on our business operations.*

Our insurance coverage is likely to cover all normal risks associated with the operation of our business but there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time. To the extent that we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected.

EXTERNAL RISK FACTORS

1. *Any changes in the regulatory framework could adversely affect our operations and growth prospects.*

We are / will be subject to various regulations and policies including RBI regulations and directives, SEBI regulations, various tax laws and regulations etc. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws like GST, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that we will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

2. *A slowdown in economic growth in the markets in which we operate could cause our business to suffer.*

Our performance and growth are dependent on the health of the economy of the markets in which we operate. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in the economy of the markets in which we operate may adversely affect our business and financial performance and the price of our Equity Shares.

3. *Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance.*

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

4. *Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.*

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our ability to raise additional financing, and the interest rates and other commercial terms. This could impact our profitability and ability to obtain financing for capital expenditures and the price of our Equity Shares.

5. *Regional or International hostilities, terrorist attack or other acts of violence of war could have a significant adverse impact on international or Indian financial markets or economic conditions or on Government Policy. Such incidents could also create a greater perception that investment in Indian Companies involves a higher degree of risk and could have an adverse impact on our business and on the market price of our company's equity shares.*

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares trade and adversely affect the financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any war with our neighbours might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

6. *Investors will not receive the Equity shares subscribed and allotted in this issue until several days after they have paid for them, which will subject them to market risk.*

The Equity Shares subscribed and allotted in this issue will not be credited to investor's demat account with depository participants until approximately 15 days from the Issue closing date. Investors can start trading only after receipt of listing and trading approvals in respect of these Equity Shares which will require additional time of up to seven working days after the allotment. Further, there can be no assurance that the equity Shares allocated will be credited to investor's demat account, or that the trading in the equity shares will commence, within the time periods specified above.

7. *The market value of the Equity Shares may fluctuate due to the volatility of the securities markets.*

The securities markets are volatile and stock exchanges have in the past, experienced substantial fluctuations in the prices of listed securities. The stock exchanges have experienced problems, which, if these were to continue or recur, could affect the market price and liquidity of the securities of Indian Companies, including the Equity Shares. The governing bodies of the various Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, time to time disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on the market sentiment.

8. Investors may be subject to Indian taxes arising out of capital gains on the sale of our equity shares.

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax (“STT”) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which our equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of our equity shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of our equity shares. The above statements are based on the current tax laws. However, the Government has proposed the introduction of the DTC, which will revamp the implementation of direct taxes. If the same is passed in present form by both houses of Indian Parliament and approved by the President of India and then notified in the Gazette of India, the tax impact mentioned above will be altered by the DTC.

PROMINENT NOTES:

1. Issue of [●] equity shares of face value of ₹ 10 each (“equity shares”) of Capital India Finance Limited (“[●]” or the “Company” or the “Issuer”) for cash at a price of ₹ [●] (including share premium of ₹ [●]) per equity share (“issue price”) for an aggregate amount not exceeding ₹52,500 lakhs to the Eligible Equity Shareholders on rights basis in the ratio of [●] Equity Share for every [●] Equity Shares held by the Eligible Equity Shareholders on the Record Date, i.e. [●] (the “Issue”). The Issue Price is [●] times the face value of the equity shares. For further details, refer to “Offering Information” on page 186 of the Draft Letter of Offer.
2. The Net Worth of our Company and Book Value per Equity Share as per restated standalone audited financial statements as on March 31, 2017 is as under:

Particulars	Standalone
Net worth (in ₹ lakhs)	395.32
Book Value per equity share (in ₹)	11.29

3. The average cost of acquisition of equity shares by our Promoter M/s Capital India Corp LLP is Rs 11.50/- per equity share of face value Rs. 10/-. For details please refer to chapter ‘Capital Structure’ on page 37 of the Draft Letter of Offer.
4. Our Promoter has acquired 22,32,200 Equity Shares of our Company recently through Share Purchase Agreement and Open Offer preceding the date of the Draft Letter of Offer.
5. The summary of complaints received by our Company and resolved / pending during the financial year ended March 31, 2016 till March 31, 2017 and for the period from April 01, 2017 till November 30, 2017 are as follows:

Particulars	Complaints Received	Complaints Resolved	Complaints Pending
April 01, 2016 to March 31, 2017	Nil	Nil	Nil
April 01, 2017 to June 30, 2017	Nil	Nil	Nil
July 01, 2017 till September 30, 2017	Nil	Nil	Nil
October 01, 2017 till November 30, 2017	Nil	Nil	Nil

6. Our Promoter Group, Directors and their relatives and Partners of our corporate Promoter have not financed the purchase, by any other person, of the equity shares of our Company during the period of six months immediately preceding the date of filing of Letter of Offer with the SEBI.

7. Trading in the Equity Shares of our Company for all investors shall be in dematerialized form only. For further details, see the chapter titled “Offering Information” on page 186 of the Draft Letter of Offer.
8. The name of the company was changed from Bhilwara Tex-Fin Limited to Capital India Finance Limited on August 16, 2017.
9. Our Company and the Lead Manager will update the offer document in accordance with the Companies Act and the SEBI ICDR Regulations and our Company and the Lead Manager will keep the public informed of any material changes relating to our company till the listing of our shares on the Stock Exchange. No selective or additional information would be made available to a section of investors in any manner whatsoever.
10. Other than as disclosed under Related Party transactions under the chapter “*Financial Statements*” starting from page 108 there is no business interest or any other interest of group companies in our Company.
11. For details of transactions between our Company and our Group Companies during the last Financial Year including the nature and cumulative value of the transactions, please refer to chapter “*Financial Statements*” on page 108.
12. Investors may contact the Lead Manager, the Registrar to the Issue or the Compliance Officer for any complaints, clarifications, etc. pertaining to the Issue.

SUMMARY OF INDUSTRY OVERVIEW

The information presented in this section has been obtained from publicly available documents from various sources including officially prepared materials from the Government of India and its various ministries, industry websites/publications and company estimates. Industry websites / publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Although we believe industry, market and government data used in the Draft Letter of Offer is reliable, it has not been independently verified. Similarly, our internal estimates, while believed by us to be reliable, have not been verified by any independent agencies.

Indian Economy

Strong government spending and data revisions in India led to an upward revisions of 2016 growth to 7.1 percent (6.8 percent in April), with upward revisions of about 0.2 percent point, on average, for 2014 and 2015. However, the growth projections for 2017 has been revised down to 6.7 percent (7.2 percent in April), reflecting still lingering disruptions associated with the currency exchange initiative introduced in November 2016, as well as transition costs related to the launch of the national Goods and Service Tax in July 2017. *(Source: International Monetary Fund - World Economic Outlook - October 2017).*

As per the latest estimates available on the Index of Industrial Production (IIP), the General Index for the month of September 2017 stands at 122.7, which is 3.8% higher as compared to the level in the month of September 2016. The cumulative growth during April-September 2017 over the corresponding period of the previous year stands at 2.5%. The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of September 2017 stand at 94.6, 125.1 and 150.5 respectively, with the corresponding growth rates of 7.9%, 3.4 % and 3.4 % as compared to September 2016. The cumulative growth in these three sectors during April-September 2017 over the corresponding period of 2016 has been 3.9 %, 1.9 % and 5.7 % respectively. In terms of industries, eleven (11) out of the twenty three (23) industry groups (as per 2- digit NIC-2008) in the manufacturing sector have shown negative growth during the month of September 2017 as compared to the corresponding month of the previous year. *(Source: Website of Ministry of Statistics and Programme Implementation)*

The Foreign Direct Investment (FDI) was USD 45.15 Billion in FY 2014-15 and USD 55.56 Billion in FY 2015-16 and USD 60.08 Billion during April 2016 to March 2017 in FY 2016-17 as per provisional figures by RBI. The cumulative amount of FDI Inflows from April 2000 to September 2017 stood at USD 518.10 Billion. *(Source: Website of Department of Industrial Policy and Promotion)*

NON BANKING FINANCIAL COMPANIES

A Non-Banking Financial Company (NBFC) is a company registered under the Companies Act, 1956 engaged in the business of loans and advances, acquisition of shares/stocks/bonds/debentures/securities issued by Government or local authority or other marketable securities of a like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, purchase or sale of any goods (other than securities) or providing any services and sale/purchase/construction of immovable property. A non-banking institution which is a Company and has principal business of receiving deposits under any scheme or arrangement in one lump sum or in installments by way of contributions or in any other manner, is also a non-banking financial company (Residuary non-banking company).

NBFCs lend and make investments and hence their activities are akin to that of banks; however, there are a few differences as given below:

- i. NBFC cannot accept demand deposits;
- ii. NBFCs do not form part of the payment and settlement system and cannot issue cheques drawn on itself;
- iii. Deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositors of NBFCs, unlike in case of banks.

In terms of Section 45-IA of the RBI Act, 1934, no Non-Banking Financial company can commence or carry on business of a nonbanking financial institution without a) obtaining a certificate of registration from the Bank and without having a Net Owned Funds of ₹25 lakhs (₹ Two crore since April 1999). However, in terms of the powers given to the Bank, to obviate dual regulation, certain categories of NBFCs which are regulated by other regulators are exempted from the requirement of registration with RBI viz. Venture Capital Fund/Merchant Banking companies/Stock broking companies registered with SEBI, Insurance Company holding a valid Certificate of Registration issued by IRDA, Nidhi companies as notified under Section 620A of the Companies Act, 1956, Chit companies as defined in clause (b) of Section 2 of the Chit Funds Act, 1982, Housing Finance Companies regulated by National Housing Bank, Stock Exchange or a Mutual Benefit company.

A company incorporated under the Companies Act, 1956 and desirous of commencing business of non-banking financial institution as defined under Section 45 I(a) of the RBI Act, 1934 should comply with the following:

- i. It should be a company registered under Section 3 of the companies Act, 1956.
- ii. It should have a minimum net owned fund of ₹ 200 lakh. (The minimum net owned fund (NOF) required for specialized NBFCs like NBFC-MFIs, NBFC-Factors, and CICs is indicated separately in the FAQs on specialized NBFCs).

Types / Categories of NBFCs registered with RBI:

NBFCs are categorized a) in terms of the type of liabilities into Deposit and Non-Deposit accepting NBFCs, b) non deposit taking NBFCs by their size into systemically important and other non-deposit holding companies (NBFC-NDSI and NBFC-ND) and c) by the kind of activity they conduct. Within this broad categorization the different types of NBFCs are as follows:

- i) **Asset Finance Company (AFC):** An AFC is a company which is a financial institution carrying on as its principal business the financing of physical assets supporting productive/economic activity, such as automobiles, tractors, lathe machines, generator sets, earth moving and material handling equipments, moving on own power and general purpose industrial machines. Principal business for this purpose is defined as aggregate of financing real/physical assets supporting economic activity and income arising therefrom is not less than 60% of its total assets and total income respectively.
- ii) **Investment Company (IC):** IC means any company which is a financial institution carrying on as its principal business the acquisition of securities.
- iii) **Loan Company (LC):** LC means any company which is a financial institution carrying on as its principal business the providing of finance whether by making loans or advances or otherwise for any activity other than its own but does not include an Asset Finance Company.
- iv) **Infrastructure Finance Company (IFC):** IFC is a non-banking finance company a) which deploys at least 75 per cent of its total assets in infrastructure loans, b) has a minimum Net Owned Funds of Rs. 300 crore, c) has a minimum credit rating of 'A 'or equivalent d) and a CRAR of 15%.
- v) **Systemically Important Core Investment Company (CIC-ND-SI):** CIC-ND-SI is an NBFC carrying on the business of acquisition of shares and securities which satisfies the following conditions:-
 - a) It holds not less than 90% of its Total Assets in the form of investment in equity shares, preference shares, debt or loans in group companies;
 - b) Its investments in the equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies constitutes not less than 60% of its Total Assets;
 - c) It does not trade in its investments in shares, debt or loans in group companies except through block sale for the purpose of dilution or disinvestment;
 - d) Its asset size is ₹ 100 crore or above and
 - e) It accepts public funds.

- vi) Infrastructure Debt Fund: Non- Banking Financial Company (IDF-NBFC) : IDF-NBFC is a company registered as NBFC to facilitate the flow of long term debt into infrastructure projects. IDF-NBFC raise resources through issue of Rupee or Dollar denominated bonds. Banks and Infrastructure Finance Companies (IFC) can sponsor IDF-NBFCs.
- vii) Non-Banking Financial Company - Micro Finance Institution (NBFC-MFI): NBFC-MFI is a non-deposit taking NBFC having not less than 85% of its assets in the nature of qualifying assets which satisfy the following criteria:
 - a. Loan disbursed by an NBFC-MFI to a borrower with a rural household annual income not exceeding Rs. 1,00,000 or urban and semi urban household income not exceeding Rs. 1,60,000;
 - b. Loan amount does not exceed Rs. 50,000 in the first cycle and Rs. 1,00,000 in subsequent cycles;
 - c. Total indebtedness of the borrower does not exceed Rs. 1,00,000;
 - d. Tenure of the loan not to be less than 24 months for loan amount in excess of Rs. 15,000 with prepayment without penalty;
 - e. Loan to be extended without collateral;
 - f. Aggregate amount of loans, given for income generation, is not less than 50 per cent of the total loans given by the MFIs;
 - g. Loan is repayable on weekly, fortnightly or monthly instalments at the choice of the borrower.
- viii) Non-Banking Financial Company – Factors (NBFC-Factors): NBFC-Factor is a non-deposit taking NBFC engaged in the principal business of factoring. The financial assets in the factoring business should constitute at least 75 percent of its total assets and its income derived from factoring business should not be less than 75 percent of its gross income.
- ix) Mortgage Guarantee Companies (MGC) - MGC are financial institutions for which at least 90% of the business turnover is mortgage guarantee business or at least 90% of the gross income is from mortgage guarantee business and net owned fund is Rs. 100 crores.
- x) NBFC- Non-Operative Financial Holding Company (NOFHC) is financial institution through which promoter / promoter groups will be permitted to set up a new bank .It's a wholly-owned Non-Operative Financial Holding Company (NOFHC) which will hold the bank as well as all other financial services companies regulated by RBI or other financial sector regulators, to the extent permissible under the applicable regulatory prescriptions.

SUMMARY OF OUR BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should for a discussion of the risks and uncertainties related to those statements and for a discussion of certain factors that may affect our business, financial condition or results of operations read “Risk Factors” on page 7. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated, the financial information included herein is based on our Restated Standalone Financial Statements for Fiscal 2013, 2014, 2015, 2016 and 2017 and for period ended October 31, 2017 and restated consolidated for the seven month period ended October 31, 2017 included in this Draft Letter of Offer. For further information, see “Financial Statements” on page 108.

We are a NBFC with more than two decades of business experience. At present, our Company falls within the category of “Non-Banking Finance Company – Non-Systemically Important Non-Deposit taking Company”. However, after the completion of the proposed Rights Issue, our Company will move to the category of “Non-Banking Finance Company – Systemically Important Non-Deposit taking Company” and accordingly will be governed by the regulations governing such NBFCs. Our Company has been recently taken over by new management. The new management took over from November 27, 2017 and present promoter completed the acquisition of shares from erstwhile promoter of the Company and through Open offer from public shareholders of the Company, in December, 2017. We are a professionally managed finance company with registered office at Delhi and Corporate office at Mumbai. Main objects of our Company are as under:

- To provide financial services of all kinds, including fund based financial services
- To carry on business, profession or vocation of acting as consultants, advisors for all matters

We intend to focus on being a partner credit institution and will seek to provide customized technology driven tailor-made financial solutions to Indian Corporates and Enterprises for their growth and working capital requirements. We will provide financing solutions primarily in situations where there is an ‘asset’ available as collateral sufficient to secure the lending. Capital India has an in-house team of experts to evaluate, value and estimate marketability of all kinds of assets. We will significantly focus on Commercial Real Estate sector for structured solutions to primarily mid-income residential projects in Tier 1 towns of India, primarily Mumbai MMR, Delhi NCR, Bangalore, and Pune.

As of March 31, 2017 and October 31, 2017 our portfolio of Long Term loans and advances was Rs. 7,825.72 lakhs and Rs. 9,997.75 lakhs respectively.

Our Financing products includes:

- **Real Estate Project Finance (CRE)**
Project finance is required for meeting project acquisition/construction cost for Residential, Commercial, Retail or other real estate development. Under this product, loans are offered to the developers/builders for acquisition, construction & development of their projects.
- **Promoter’s Funding / Loan Against Shares (LAS)**
Promoters of the companies, in order to raise funds for either personal or company needs, pledge their holding to financial institutions. For availing such loans against shares, any shareholder can pledge shares to the lender.
- **Loan Against Property (LAP) / Lease Rental Discounting (LRD)**
Under this product loans are offered against an existing ready property/land/any other assets of HNIs/Developers/Customers. End use of funds may be for general business purpose or purchase of land/FSI or it may be for debt consolidation or takeover of existing facility.
- **Non-Residential Property (NRP) / Commercial Property Purchase Loan**
NRP is a secured form of financing where the borrower seeks finance towards purchase or construction of commercial property under consideration.

- **Unsecured Loans/Personal Loans**

Capital India will offer Business Loans (BL) to business community so as to cater to their short term funds requirements either for capex or working capital gap. Similarly, Personal Loans (PL) will be offered to salaried borrowers for their personal needs.

- **Non – Convertible Debentures (NCD)**

NCDs are typically secured /unsecured debt instruments issued by companies incorporated under the companies act. NCD's, which will be subscribed by Capital India, are to be secured against the security of any asset in line with product norms.

- **Structured Finance**

With increase in economic activity in corporate sector and need for innovative financial products, there is huge business potential for lending to established corporate sector and new enterprise. There is demand for general business purpose loans, structured financing solutions for acquisition, expansion, exit to Private Equity partners, buyout of partners stake, pre IPO financing needs & business diversification etc.

In addition to our sales team, we shall enter into commercial arrangements with a large number of sourcing intermediaries, including commission based DSAs and revenue sharing arrangements with various advisory companies / consultants.

CREDIT APPRAISAL PROCESS

Credit Appraisal is a process to ascertain the risks associated with the extension of credit facility. Credit risk is a risk related to non-repayment of the credit obtained by the customer. Thus, it is necessary to appraise the credit worthiness of the customer in order to mitigate the credit risk. Capital India being a member of all Credit Information Companies (CICs) as directed by RBI, shall submit data (including historical data) to them.

Capital India has defined its credit appraisal standards to be consistently followed across business units for credit origination and sanction. Few prominent among them are as below:

- Before a credit facility is approved/ renewed, the credit proposal should be rigorously appraised. The credit appraisal process would involve an in-depth study of the financial, technical, industry/sector and managerial aspects of the Borrower, repayment behavior and collateral assessment
- De-duplication (“De-dupe”) checks must be carried out as a best practice to check if the Borrower (or any of its connected parties) is/are already having any relationship or had any relationship with our Company, (in which case the account conduct during the relationship must be checked). Additionally, if the Borrower (or any of its connected parties) were rejected / denied credit facility by our company in the past, the reasons thereof and justifications extend the proposed credit should be furnished as part of the credit proposal.
- Appropriate checks with various negative lists should be performed (RBI defaulters’ list, Negative list, etc.) prior to on-boarding and any matches should be highlighted to the approval authorities at the time of approval.
- Appropriate bureau checks/Central Repository of Information on Large Credit check should be performed and any adverse repayment history should be enquired upon with justifications obtained from the customer should be furnished as part of the credit proposal.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from our audited financial statements as on and for the preceding five financial years ended March 31, 2017 and for seven months ended October 31, 2017 prepared in accordance with Indian GAAP and the Companies Act and should be read in conjunction with the financial statements and the notes (including the significant accounting principles) thereto included in the chapter “Financial Statements” on page 108 of the Draft Letter of Offer.

Annexure I - Restated Standalone Summary Statement of Assets and Liabilities

(Amount in Rs)

Particulars	Note No.	As at 31st October 2017	As at March 31st,				
			2017	2016	2015	2014	2013
EQUITY AND LIABILITIES							
1 Shareholders' fund							
(a) Share Capital	3	3,50,27,000	3,50,27,000	3,50,27,000	3,50,27,000	3,50,27,000	3,50,27,000
(b) Reserves and Surplus	4	2,56,14,392	45,05,278	21,53,353	(9,447)	(11,30,893)	(17,28,899)
		6,06,41,392	3,95,32,278	3,71,80,353	3,50,17,553	3,38,96,107	3,32,98,101
2 Non-Current Liabilities							
(a) Long-Term Borrowings	5	99,18,00,000	1,37,68,00,000	-	-	11,82,00,000	9,00,78,000
(b) Deferred Tax Liabilities (Net)		-	-	-	-	-	-
(c) Other Long Term Liabilities		-	-	-	-	-	-
(d) Long- Term Provisions	6	49,43,141	49,43,141	25,53,373	19,45,109	2,92,719	2,55,698
		99,67,43,141	1,38,17,43,141	25,53,373	19,45,109	11,84,92,719	9,03,33,698
3 Current Liabilities							
(a) Short Term Borrowings	7	3,40,00,000	-	48,33,27,537	52,62,87,328	-	-
(b) Trade Payables		-	-	-	-	-	-
- Due to Micro and Small Enterprises		-	-	-	-	-	-
- Due to Others		-	-	-	-	-	-
(c) Other Current Liabilities	8	8,39,41,578	1,63,74,541	7,00,42,389	2,96,34,684	2,51,84,164	1,23,13,711
		1,79,41,578	1,63,74,541	55,33,69,926	55,59,22,012	2,51,84,164	1,23,13,711
Total		1,17,53,26,111	1,43,76,49,960	59,31,03,652	59,28,84,674	17,75,72,990	13,59,45,510
ASSETS							
1 Non Current Assets							
(a) Fixed Assets							
(i) Tangible Assets		37,93,127	-	-	-	-	-
(ii) Intangible Assets		-	-	-	-	-	-
(iii) Capital Work –In –progress		1,39,80,242	-	-	-	-	-
(b) Non current Investment	9	15,04,00,000	-	2,87,12,970	2,87,12,970	2,87,12,970	2,87,12,970
(c) Long - Term loans and advances	10	71,43,68,344	79,37,68,419	1,10,92,338	45,22,670	10,52,86,474	9,30,56,209
(d) Other Non Current Assets	11	-	-	-	-	-	6,51,500
		88,25,41,713	79,37,68,419	3,98,05,308	3,32,35,640	13,39,99,444	12,24,20,679
2 Current Assets							
(a) Current Investment		-	-	-	-	-	-
(b) Inventories		-	-	-	-	-	-
(c) Trade receivable	12	40,32,000	40,32,000	-	-	-	-
(d) Cash and Cash equivalents	13	27,37,309	53,43,78,198	2,66,693	7,32,280	1,70,765	82,736

(e) Short term loans and advances	14	28,60,15,089	10,54,71,343	55,30,31,651	55,89,16,754	4,34,02,781	1,34,42,095
		29,27,84,398	64,38,81,541	55,32,98,344	55,96,49,034	4,35,73,546	1,35,24,831
Total		1,17,53,26,111	1,43,76,49,960	59,31,03,652	59,28,84,674	17,75,72,990	13,59,45,510

See accompanying Note (1 to 21) which are integral part of Restated Financial Statements
As per our Report on Restated Financials attached

For **AVK & Associates**
Chartered Accountants
Firm Reg No-002638N

For **Divyank Khullar & Associates**
Chartered Accountants
Firm Registration No.: 025755N

For and on behalf of the board
Capital India Finance Limited

(CA Ashwani Kumar Relan)
Partner
Membership No. 088309

Divyank Khullar
(Proprietor)
Membership No.: 528399

Keshav Porwal
Managing Director
DIN: 06706341

Amit Sahai Kulshreshtha
Director
DIN: 07869849

Annexure II - Restated Standalone Summary Statement of Profit and Loss

Amount in Rs

Particulars	Note No.	For the period ended	For the year ended				
		31st October 2017	31st March 2017	31st March 2016	31st March 2015	31st March 2014	31st March 2013
Revenue from Operations	15	9,36,93,948	8,73,15,903	7,53,70,993	4,38,60,331	1,52,78,942	87,71,217
Less : Excise Duty/ Service Tax		-	-	-	-	-	-
		9,36,93,948	8,73,15,903	7,53,70,993	4,38,60,331	1,52,78,942	87,71,217
Other Income	16	-	5,05,558	60,156	534	93,917	11,757
Total Revenue		9,36,93,948	8,78,21,461	7,54,31,149	4,38,60,865	1,53,72,859	87,82,974
Expenses :							
Employee benefits expense	17	24,27,028	13,64,059	11,42,341	1,62,000	71,000	35,000
Finance Costs	18	6,78,25,680	7,97,84,754	7,06,02,979	4,03,63,940	1,36,48,397	76,98,706
Depreciation and amortization expense		-	-	-	-	-	-
Other expense	19	23,32,126	22,18,526	22,31,636	19,95,433	9,15,949	2,50,603
Total Expenses		7,25,84,834	8,33,67,339	7,39,76,956	4,25,21,373	1,46,35,346	79,84,309
Profit before exceptional and extraordinary items and tax		2,11,09,114	44,54,122	14,54,193	13,39,492	7,37,513	7,98,665
Exceptional Items		-	-	-	-	-	-
Profit before extraordinary items and tax		2,11,09,114	44,54,122	14,54,193	13,39,492	7,37,513	7,98,665
Extraordinary items		-	-	-	-	-	-
Profit before tax		2,11,09,114	44,54,122	14,54,193	13,39,492	7,37,513	7,98,665
Tax expense:							
(1) Income Tax provision pertaining to earlier Assessment year	-	-	2,75,666	(7,173)	19,484	(1,026)	-
(2) Current Tax		-	18,26,531	6,39,038	2,55,240	1,40,533	1,52,186
Total Tax expenses		-	21,02,197	6,31,865	2,74,724	1,39,507	1,52,186
Profit/(Loss) for the Year		2,11,09,114	23,51,925	8,22,328	10,64,768	5,98,006	6,46,479
APPROPRIATION							
Amount T/F to Special Reserve Fund		-	-	-	-	1,19,601	1,29,296
Profit/Loss after Appropriation		2,11,09,114	23,51,925	8,22,328	10,64,768	4,78,405	5,17,183

See accompanying Note (1 to 17) which are integral part of Restated Financial Statements

As per our Report on Restated Financials attached

For AVK & Associates
board

Chartered Accountants
Limited
Firm Reg No-002638N

For Divyank Khullar & Associates

Chartered Accountants

Firm Registration No.: 025755N

For and on behalf of the

Capital India Finance

(CA Ashwani Kumar Relan)
Partner
Membership No. 088309

Divyank Khullar
(Proprietor)
Membership No.: 528399

Keshav Porwal
Managing Director
DIN: 06706341

Amit Sahai Kulshreshtha
Director
DIN: 07869849

Restated Standalone Summary Statement of Cash Flows for five financial years

Amount in Rs

Particulars	For the period ended		For the Year Ended March 31st,			
	31st October 2017	2017	2016	2015	2014	2013
CASH FLOW FROM OPERATING ACTIVITY						
Net Profit before Tax and Extraordinary items	2,11,09,114	44,54,122	14,54,193	13,39,492	7,37,513	7,98,665
Adjusted for:						
Provision for Standard asset / Balances w/off	-	14,57,515	16,59,095	13,97,150	5,73,500	-
Depreciation	-	-	-	-	-	-
Interest on Income Tax Refund	-	(5,05,024)	(53,442)	-	(15,383)	-
Bad debts	-	-	-	-	-	-
Loss / (Profit) on sale of Fixed Assets	-	-	-	-	-	-
Loss / (Profit) on sale of Investments	-	-	-	-	-	-
Exceptional items	-	-	-	-	-	-
Operating Profit before Working Capital Changes	2,11,09,114	54,06,613	30,59,846	27,36,642	12,95,630	7,98,665
Adjusted for:						
Increase in Trade and Other Receivables	-	(40,32,000)	-	-	-	-
(Increase) / Decrease in Loan and Advances	(10,11,43,671)	(33,74,39,692)	58,28,425	(41,11,57,739)	(4,17,60,242)	(3,26,93,809)
(Increase) / Decrease in Inventories	-	-	-	-	-	-
Increase/ (Decrease) in Current Liability & Provisions	6,75,67,037	(5,36,67,848)	4,04,07,705	44,50,520	1,28,70,453	67,86,350
Increase/ (Decrease) in Trade Payables & Other Liabilities	-	-	-	-	-	-
Income Tax Refund Received	-	1,04,27,418	7,35,330	-	2,20,500	-
Direct Taxes paid	-	(87,68,419)	(75,37,102)	(35,55,236)	(7,38,312)	(1,52,186)
Cash Generated from/(used in) Operating Activities	(1,24,67,520)	(38,80,73,928)	4,24,94,204	(40,75,25,813)	(2,81,11,971)	(2,52,60,980)
CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of Fixed Assets/ Capital work in progress	(1,77,73,369)	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-
Purchase of Non Current Investment	(15,04,00,000)	-	-	-	-	-
Sale of Non Current Investments	-	2,87,12,970	-	-	-	-
Net Purchase of Current Investments	-	-	-	-	-	-

Interest /Other Income Received	-	-	-	-	-	-
Net Cash from/(used in) Investing Activity	(16,81,73,369)	2,87,12,970	-	-	-	-
CASH FLOW FROM FINANCIAL ACTIVITIES						
Net Proceeds from Long Term Borrowings	(38,50,00,000)	89,34,72,463	(4,29,59,791)	40,80,87,328	2,82,00,000	2,50,00,000
Net Proceeds from Short Term Borrowings	3,40,00,000	-	-	-	-	-
Proceeds from Issue of Share Capital	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-
Interest Paid	-	-	-	-	-	-
Net Cash from/(used in) Financing Activities	(35,10,00,000)	89,34,72,463	(4,29,59,791)	40,80,87,328	2,82,00,000	2,50,00,000
Net Increase in Cash and Cash Equivalents (A+B+C)	(53,16,40,889)	53,41,11,505	(4,65,587)	5,61,515	88,029	(2,60,980)
Opening Balance of Cash and Cash Equivalents	53,43,78,198	2,66,693	7,32,280	1,70,765	82,736	3,43,716
Closing Balance of Cash and Cash Equivalents	27,37,309	53,43,78,198	2,66,693	7,32,280	1,70,765	82,736

As per our Report on Restated Financials attached

For **AVK & Associates**
board

Chartered Accountants
Limited

Firm Reg No-002638N

For **Divyank Khullar & Associates**

Chartered Accountants

Firm Registration No.: 025755N

For and on behalf of the
Capital India Finance

(CA Ashwani Kumar Relan)
Partner
Membership No. 088309

Divyank Khullar
(Proprietor)
Membership No.: 528399

Keshav Porwal
Managing Director
DIN: 06706341

Amit Sahai Kulshreshtha
Director
DIN: 07869849

CONSOLIDATED FINANCIAL STATEMENTS
Annexure I : Restated Consolidated Balance Sheet as at 31st October, 2017
(All amounts are in Rupees, unless otherwise stated)

Particulars	Note No.	As at 31st October, 2017
EQUITY AND LIABILITIES		
1 Shareholders' fund		
(a) Share Capital	3	3,50,27,000
(b) Reserves and Surplus	4	2,56,14,392
		6,06,41,392
2 Non-Current Liabilities		
(a) Long-Term Borrowings	5	99,18,00,000
(b) Deferred Tax Liabilities (Net)		-
(c) Other Long Term Liabilities		-
(d) Long- Term Provisions	6	49,43,141
		99,67,43,141
3 Current Liabilities		
(a) Short Term Borrowings	5	3,40,00,000
(b) Trade Payables		-
(c) Other Current Liabilities	7	8,40,71,378
(d) Short Term Provision	6	-
		11,80,71,378
Total		1,17,54,55,911
ASSETS		
1 Non Current Assets		
(a) Fixed Assets		
(i) Tangible Assets	8	37,93,127
(ii) Intangible Assets	9	16,25,625
(iii) Capital Work –In –progress	10	1,39,80,242
(b) Non current Investment		-
(c) Long - Term loans and advances	11	71,43,68,344
(d) Other Non Current Assets		-
		73,37,67,338
2 Current Assets		
(a) Current Investment		-
(b) Inventories		-
(c) Trade receivable	12	40,32,000
(d) Cash and Cash equivalents	13	15,31,37,309
(e) Short term loans and advances	11	28,45,19,264
(f) Other current assets		-
		44,16,88,573
Total		1,17,54,55,911

As per our Report on Restated Financials attached

For **AVK & Associates**
Chartered Accountants
Firm Reg No-002638N

For **Divyank Khullar & Associates**
Chartered Accountants
Firm Registration No.: 025755N

For and on behalf of the board
Capital India Finance Limited

(CA Ashwani Kumar Relan)
Partner
Membership No. 088309

Divyank Khullar
(Proprietor)
Membership No.: 528399

Keshav Porwal
Managing Director
DIN: 06706341

Amit Sahai Kulshreshtha
Director
DIN: 07869849

Annexure II : Restated Consolidated Statement of Profit and loss for the period ended 31st October, 2017
(All amounts are in Rupees, unless otherwise stated)

Particulars	Note No	For the Period ended 31st Oct 2017
I. Revenue from Operation	14	9,36,93,948
II. Other Income		-
III. Total Income (I+II)		9,36,93,948
IV. Expenses		
Cost of materials consumed		-
Purchases of stock-in-trade	-	-
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress		-
Employee benefit Expense	15	24,27,028
Finance Costs	16	6,78,25,680
Depreciation and amortisation expense		-
Other Expenses	17	23,32,126
Total Expenses (IV)		7,25,84,834
V. Profit/ (Loss) from operations before exceptional/extraordinary item and tax (III-IV)		2,11,09,114
VI. Exceptional / Extraordinary item		-
VII. Profit/(Loss) before tax (V-VI)		2,11,09,114
VIII. Tax Expenses :		
(1) Current Tax		-
(2) Deferred Tax		-
IX. Profit/(Loss) for the period from continuing operations (VII-VIII)		2,11,09,114
X. Profit/(Loss) for the period from discontinued operations		-
XI. Tax Expenses of discontinued operations		-
XII. Profit/(Loss) for the period from discontinued operations (after tax) (X-XI)		-
XIII. Profit /(Loss) for the period (IX+XII)		2,11,09,114
Earning Per equity shares (for discontinued & continuing operations)		
(i) Basic		6.03
(ii) Diluted		6.03

As per our Report on Restated Financials attached

For **AVK & Associates**
Chartered Accountants
Firm Reg No-002638N

For **Divyank Khullar & Associates**
Chartered Accountants
Firm Registration No.: 025755N

For and on behalf of the board
Capital India Finance Limited

(CA Ashwani Kumar Relan)
Partner
Membership No. 088309

Divyank Khullar
(Proprietor)
Membership No.: 528399

Keshav Porwal
Managing Director
DIN: 06706341

Amit Sahai Kulshreshtha
Director
DIN: 07869849

THE ISSUE

The details of this Issue are set out below:

Equity Shares proposed to be issued by our Company	[●] Equity Shares
Rights Entitlement	[●] Equity Share for every [●] Equity Shares held on the Record Date
Record Date	[●]
Issue Price per Equity Share	₹[●]. The Issue Price has been arrived at in consultation between the Issuer and the Lead Manager
Issue Size	₹52,500 Lakhs
Equity Shares outstanding prior to the Issue (Paid up Equity Share Capital)	[●] Equity Shares of ₹ [●]/- each
Equity Shares outstanding after the Issue, assuming full subscription (Paid up Equity Share Capital)	[●] Equity Shares of ₹ [●]/- each
Objects of the Issue	Please refer to section “Objects of the Issue” on page 48 of the Draft Letter of Offer

For more information on the payment terms, refer to the Chapter titled “Offering Information” on page 186 of the Draft Letter of Offer.

GENERAL INFORMATION

Pursuant to a resolution passed under Section 62(1)(a) of the Companies Act, 2013 by our Board in its meeting held on December 20, 2017, it has been decided to make the following Offer to the Eligible Equity Shareholders, with a right to renounce:

ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH (“EQUITY SHARES”) OF CAPITAL INDIA FINANCE LIMITED (“[●]” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹[●] (INCLUDING SHARE PREMIUM OF ₹[●]) PER EQUITY SHARE (“ISSUE PRICE”) FOR AN AGGREGATE AMOUNT NOT EXCEEDING ₹ 52,500 LAKHS TO THE ELIGIBLE EQUITY SHAREHOLDERS ON RIGHTS BASIS IN THE RATIO OF [●] EQUITY SHARE FOR EVERY [●] EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, I.E. [●] (THE “ISSUE”). THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES.

FOR FURTHER DETAILS, PLEASE REFER TO “OFFERING INFORMATION” ON PAGE 186 OF THE DRAFT LETTER OF OFFER

Registered Office	Corporate Office
2 nd Floor, DLF Centre, Sansad Marg, New Delhi – 110 001	A-1402, One BKC, 14 th Floor, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051

Corporate Identity Number: L74899DL1994PLC128577

Address of the Registrar of Companies

4th Floor, IFCI Tower,
61, Nehru Place,
New Delhi - 110019
Tel. No.: +91 11 26235707, 26235708, 26235709
Fax No.: +91 11 26235702
E-mail: roc.delhi@mca.gov.in
Website: www.mca.gov.in

Board of Directors of our Company

Sr. No.	Name & Designation	Age (in years)	DIN	Status
1.	Mr. Vinod Somani	64	00327231	Independent Director
2.	Mr. Achal Kumar Gupta	64	02192183	Independent Director
3.	Ms. Promila Bhardwaj	63	06428534	Independent Director
4.	Mr. Keshav Porwal	41	06706341	Managing Director – Executive
5.	Mr. Amit Sahai Kulshreshtha	42	07869849	Executive Director
6.	Mr. Vineet Kumar Saxena	49	07710277	Non - Executive Director
7.	Mr. Rahul Ramesh Kumar Jain	29	07541089	Non - Executive Director
8.	Mr. Subodh Kumar	41	07781250	Non - Executive Director
9.	Ms. Shraddha Kamat Suresh	33	07555355	Non - Executive Director

For details of our Directors, refer to section titled “Our Management” on page 84 of the Draft Letter of Offer.

Company Secretary & Compliance Officer

Mr. Rachit Malhotra
Capital India Finance Limited
2nd Floor, DLF Centre,
Sansad Marg, New Delhi – 110 001
Tel. No.: + 91 011-49546000
Email : secreterial@capitalindia.com

Chief Financial Officer

Mr. Neeraj Toshniwal
Capital India Finance Limited
2nd Floor, DLF Centre,
Sansad Marg, New Delhi – 110 001
Tel. No.: + 91 011-49546000
Email : secreterial@capitalindia.com

Note: All grievances relating to the Issue may be addressed to the Registrar to the Issue or the SCSB in case of ASBA Applicants giving full details such as folio no. / demat account no. / name and address, contact telephone / cell numbers, email id of the first applicant, number of Equity Shares applied for, CAF serial number, amount paid on application and the name of the bank / SCSB and the branch where the CAF, or the plain paper Application, as the case may be, was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

Lead Manager to the Issue**SPA Capital Advisors Limited**

SEBI Regn. No.: INM 000010825
25, C – Block, Community Centre
Janak Puri, New Delhi - 110 058
Tel. No.: +91 11 2551 7371, 4567 5500
Fax No.: +91 11 2553 2644
E-mail: Investor Grievance: grievances.mb@spagroupindia.com
Website: www.spacapital.com
Contact Person: Anchal Lohia

Registrar to the Issue**Indus Portfolio Private Limited**

SEBI Regn. No.: INR000003845
G-65, Bali Nagar,
New Delhi – 110 015
Tel.: +91 11 47671214, 47671217
Fax: +91 25449863
E-mail: cs.anamika@indusinvest.com
Investor Grievance e-mail id: crm@indusinvest.com
Website: www.indusinvest.com
Contact Person: Ms. Anamika

Legal Advisor to the Issue

M V Kini Law Firm
Kini House, 6/39 Jangpura-B,
New Delhi – 110 014
Tel.: +91 011 2437 1038/39/40
Fax : +91 011 24379484
E-mail: Raj@mvkini.com
Contact Person: Mrs. Raj Rani Bhalla

Banker to the Issue & Refund Banker

[•]

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process is provided on SEBI website at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>.

Banker to our Company**ICICI Bank Limited**

Ground Floor, Morya Estate,
Link road, Opp to Infinity Mall,
Andheri West, Mumbai – 400 053
Tel.: +91 022 67260601
E-mail: naveen.k@icicibank.com

Yes Bank Limited

D-12, South Extension Part II,
New Delhi – 110049
Tel : 8600559534
Email : Gaurav.gupta8@yesbank.in

Statutory Auditors of our Company**Divyank Khullar and Associates**

Chartered Accountants
J – 36/5 1st Floor, Ganga Ram Vatika,
Tilak Nagar, New Delhi – 110 018
Tel.: +91 7011552085/ 8860094942
E-mail: cadivyankkhullar@gmail.com
Contact Person: CA Divyank Khullar
Firm Registration No.: 025755n

Peer Reviewed Auditors of our Company**AVK & Associates,**

Chartered Accountants
KD-117, Pitampura, Delhi-110088
Tel.: +91 011-47023101
Fax : +91 011-27316143
E-mail: Ashwani.relan@gmail.com
Contact Person: Mr. Ashwani Relan
Firm Registration No.: 002638N
Peer Review No. : 008690 dated December 23, 2015

Credit Rating

This being a right issue of equity shares, no credit rating is required.

Trustees

This being a Rights Issue of Equity Shares, appointment of Trustees is not required.

Appraising Agency

The issue has not been appraised.

Monitoring Agency

We have appointed [●] as the monitoring agency for the Rights Issue. Our Board and the Monitoring Agency will monitor the utilization of Net Proceeds. The monitoring agency will also submit a report to our Board in terms of Regulation 16(2) of the SEBI ICDR Regulations. The Audit Committee of our Board would monitor the utilization of the proceeds of the Issue. For details please refer to section titled 'Objects of the Issue' on page 48 of Draft Letter of Offer.

Underwriting / Standby agreement

Our Company has not entered into any underwriting / standby agreement.

Issue Schedule

Issue Opens on	[●]
Last date for requests for Split Application Forms	[●]
Issue Closes on	[●]

Minimum Subscription

If we do not receive the minimum subscription of 90% in this Issue or if our Board fails to dispose off the unsubscribed Equity Shares in the manner as permitted under Section 62(1)(a)(iii), subject to receipt of requisite regulatory approvals, if any, after the Issue Closing Date or the subscription level falls below 90% after the Issue Closing Date on the account of cheques being returned unpaid or withdrawal of applications, we shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If the subscription amount is not refunded within 15 days from the Issue Closing date, we shall be liable to pay interest for the period of delay, after such aforesaid 15 days, in accordance with the provisions of the Companies Act, 2013 and SEBI ICDR Regulations.

CAPITAL STRUCTURE

Our capital structure and related information as on date of the Draft Letter of Offer is set forth below.

(in Rs. Lakhs unless otherwise stated)

Share Capital	Aggregate value at face value	Aggregate Value at Issue Price
A. Authorised Share Capital		
40,00,000 Equity Shares of Rs. 10/- each	400.00*	
B. Issued, Subscribed and Paid Up Share Capital		
35,02,700 Equity Shares of Rs 10/- each	350.27	
C. Present Issue in terms of the Draft Letter of Offer**		
[●] Equity Shares at an Issue Price of ₹[●] per Equity Share	[●]	52,500
D. Subscribed and Paid-up capital after the Issue, assuming full subscription		
[●] Equity Shares of ₹[●] each fully paid-up	[●]	
E. Share Premium Account:		
Before the Issue	00.00	
After the Issue	[●]	

*The Board of Directors of our Company pursuant to their meeting dated December 20, 2017, approved increase of the authorised share capital of our Company from Rs. 4,00,00,000 divided into 40,00,000 Equity Shares of face value of Rs.10/-each, to Rs.2,14,00,00,000/- (Rupees Two Hundred Fourteen Crores Only) divided into 20,40,00,000 (Twenty Crores Forty Lakhs) Equity Shares of face value of Rs. 10/- aggregating to Rs.204,00,00,000 (Rupees Two Hundred and Four Crores Only) and 1,00,00,000 (One Crore Only) preference shares of Rs. 10/- each aggregating to Rs. 10,00,00,000 (Rupees Ten Crores Only) , subject to approval of the Shareholders through Postal Ballot . The Postal Ballot notice have been dispatched to shareholders in this respect by December 28, 2017.

**The present Rights Issue in terms of this Letter of Offer has been authorized through resolution passed by the Board of Directors in their meeting held on December 20, 2017. In case shareholder's approval through postal ballot is not received before record date of the proposed Rights Issue and filing of final Letter of Offer with stock exchanges, our company will not proceed with the Rights Issue.

Notes to the Capital Structure

1. Changes in Authorised Share Capital*

The details of Changes in authorized share capital of our Company since incorporation is as follows:

(in ₹, except share data)

Date	Cumulative No. of Equity Shares	Face Value (₹)	Cumulative Authorised Share Capital (in ₹)	Particulars
On Incorporation	50,000	10/-	5,00,000	-
November 23, 1994	40,00,000	10/-	4,00,00,000	Increased from Rs. 5,00,000/- divided into 50,000 equity shares of our Company of Rs.10/- each to Rs. 4,00,00,000/- divided into 40,00,000 equity shares of our Company of Rs. 10/- each.

*The Board of Directors of our Company pursuant to their meeting dated December 20, 2017, approved increase of the authorised share capital of our Company from Rs. 4,00,00,000/- divided into 40,00,000 Equity Shares of face value of Rs.10/-each, to Rs.2,14,00,00,000/- (Rupees Two Hundred Fourteen Crores Only) divided into

20,40,00,000 (Twenty Crores Forty Lakhs) Equity Shares of face value of Rs. 10/- aggregating to Rs.204,00,00,000 (Rupees Two Hundred and Four Crores Only) and 1,00,00,000 (One Crore Only) preference shares of Rs. 10/- each aggregating to Rs. 10,00,00,000 (Rupees Ten Crores Only) , subject to approval of the Shareholders through postal ballot . The Postal Ballot notice have been dispatched to shareholders in this respect on December 28, 2017.

2. Equity Share Capital History

(in ₹, except share data)

Date of Allotment	No. of Equity Shares allotted	Cumulative No. of Equity Shares	Face Value (in ₹)	Issue Price (in ₹)	Cumulative Paid up Capital (in ₹)	Nature of consideration	Nature of Allotment
On incorporation	7	7	10	-	70	-	Subscribers to MOA
January 05,1995	4,11,993	4,12,000	10	10	41,20,000	Cash	Promoters
May 13,1995	6,38,000	10,50,000	10	10	1,05,00,000	Cash	Promoters
July 12, 1995	24,52,700	35,02,700	10	10	3,50,27,000	Cash	Public Issue Allotment

Shares issued for consideration other than in cash or bonus

No share has been issued other than cash or through bonus.

3. Capital Build-up of Existing Shareholding of Promoters:

As on the date of this Draft Letter of Offer our promoters Capital India Corp LLP (formerly Trident Holding LLP) holds 22, 32,300 shares constituting 63.73% of the issued subscribed and paid up equity share capital of our Company. The details regarding our promoter's holding are appended below:

Date of Allotment/ Acquisition	Number of Shares	Cumulative No. of Equity Shares	Face Value (in ₹)	Issue /Purchase/Sale price (in ₹)	Lock-in Period	Number and percent age of pledged shares	Nature of Allotment	Percentage of the pre-Issue paid-up capital (%)	Percent age of the post-Issue paid-up capital (%)
December 08, 2017	7,64,500	7,64,500	10/-	11.50/-	-	-	Open Offer under SEBI Takeover Regulations	21.82	[●]
December 11, 2017	14,67,800	22,32,300	10/-	11.50/-	-	-	Acquired from previous promoter i.e. M/s. Sainik Mining and Allied Service Limited through Share Purchase Agreement on successful completion of Open Offer	63.73%	[●]

4. Our shareholding pattern as on December 31, 2017 is as follows:

Table I: Summary statement holding of specified securities

Category	Category of shareholders	No. of share-holders	No. of fully paid up Equity Shares held	No. of partly paid up Equity Shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding as a %age of total no. of shares (calculated as per SCRR, 1957)	No. of voting rights held in each class of securities			No. of shares underlying outstanding convertible securities (including warrants)	Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital)	No. of locked in shares		No. of shares pledged		No. of Equity Shares held in dematerialised form	
							(as a % of (A+B+C)	No. of voting rights		Total as % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)		
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = IV + V + VI	(VIII)	Class X	Class Y	Total	(IX)	(X)	(XI) = (VII) + (X) as a % of (A+B+C)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	1	2232300	-	-	2232300	63.73	2232300	-	2232300	63.73	-	63.73	-	-	-	-	2232200
(B)	Public	487	1270400	-	-	1270400	36.27	1270400	-	1270400	36.27	-	36.27	-	-	-	-	252200
(C)	Non promoter non public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	488	3502700	-	-	3502700	100.00	3502700	-	3502700	100.00	-	100.00	-	-	-	-	2484500

Table II: Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category of share-holders	No. of share-holders	No. of fully paid up Equity Shares held	No. of partly paid up Equity Shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding as a %age of total no. of shares (calculated as per SCRR, 1957)	No. of voting rights held in each class of securities			No. of shares underlying outstanding convertible securities (includng warrants)	Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital)	No. of locked in shares		No. of shares pledged		No. of Equity Shares held in dematerialised form
							(as a % of (A+B+C))	No. of voting rights		Total as % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = IV + V + VI	(VIII)	Class X	Class Y	Total	(IX)	(X)	(XI) = (VII) + (X) as a % of (A+B+C)	(XII)	(XIII)		(XIV)
A(1)	Indian																
(a)	Individuals/ HUF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Central Government / State Government (s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	1	2232200	-	-	2232200	63.73	2232200	-	2232200	63.73	-	63.73	-	-	-	2232200
	Capital India Corp LLP (Formerly known as Trident Holding LLP)		2232200	-	-	2232200	63.73	2232200		2232200	63.73	-	63.73	-	-	-	2232200
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
€	Any Other (Specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	Sub-total A(1)	1	2232200	-	-	2232200	63.73	2232200	-	2232200	63.73	-	63.73	-	-	-	-	2232200
A(2)	Foreign																	
(a)	Individuals (Non resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any other (Specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-total A(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total shareholding of Promoter & Promoter Group (A) = (A)(1) + (A)(2)	1	2232200	-	-	2232200	63.73	2232200	-	2232200	63.73	-	63.73	-	-	-	-	2232200

Table III: Statement showing shareholding pattern of public shareholder

Category	Category of share-holders	No. of share-holders	No. of fully paid up Equity Shares held	No. of partly paid up Equity Shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding as a %age of total no. of shares (calculated as per SCRR, 1957)	No. of voting rights held in each class of securities			No. of shares underlying outstanding convertible securities (including warrants)	Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital)	No. of locked in shares		No. of shares pledged		No. of Equity Shares held in dematerialised form	
							(as a % of (A+B+C))	No. of voting rights		Total as % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)		
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = IV + V + VI	(VIII)	Class X	Class Y	Total	(IX)	(X)	(XI) = (VII) + (X) as a % of (A+B+C)	(XII)		(XIII)		(XIV)
B1	Institutions																	
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
©	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Foreign portfolio investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total B1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B2	Central Government/ State Government(s)/ President of India		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total B2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B3	Non-Institutions																	

	Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	466	507035	-	-	507035	14.48	507035	-	507035	14.48	-	14.48	-	-	-	-	47935
	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	9	252200	-	-	252200	7.20	252200	-	252200	7.20	-	7.20	-	-	-	-	26900
(b)	NBFCs Registered with RBI		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Employee trusts		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (Holding DRs)(balancing Figure)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	12	511165	-	-	511165	14.59	511165	-	511165	14.59	-	14.59	-	-	-	-	177365
(i)	Clearing House	1	117	-	-	117	0.00	117	-	117	0.00	-	0.00	-	-	-	-	117
(ii)	NRI	1	400	-	-	400	0.01	400	-	400	0.01	-	0.01	-	-	-	-	-
(ii)	Other Bodies Corporate	10	510648	-	-	510648	14.58	510648	-	510648	14.58	-	14.58	-	-	-	-	177248
	Grab Marketing Pvt. Ltd.		173200			173200	4.94	173200		173200	4.94		4.94					173200
	Mantech Leasing & Finance Pvt. Ltd.		164500	-	-	164500	4.70	164500	-	164500	4.70	-	4.70	-	-	-	-	-
	Deas Computrade Private Limited		164000			164000	4.68	164000		164000	4.68		4.68					
(iii)	Trust		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iv)	Cooperative Societies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(v)	Educational Institutions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(vi)	OCB		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(vii)	Foreign Companies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (B)(3)	487	1270400	-	-	1270400	36.27	1270400	-	1270400	36.27	-	36.27	-	-	-	-	252200
	Total public shareholding (B) = (B)(1)+(B)(2)+(B)(3)	487	1270400	-	-	1270400	36.27	1270400	-	1270400	36.27	-	36.27	-	-	-	-	252200

Table IV: Statement showing shareholding pattern of Non promoter- Non public shareholder

Category	Category of share-holders	No. of share-holders	No. of fully paid up Equity Shares held	No. of partly paid up Equity Shares held	No. of shares underlying Depository Receipts	Total no. of shares held	Shareholding as a %age of total no. of shares (calculated as per SCRR, 1957)	No. of voting rights held in each class of securities			No. of shares underlying outstanding convertible securities (including warrants)	Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital)	No. of locked in shares		No. of shares pledged		No. of Equity Shares held in dematerialised form
							(as a % of (A+B+C))	No. of voting rights			Total as % of (A+B+C)		No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = IV + V + VI	(VIII)	Class X	Class Y	Total	(IX)	(X)	(XI) = (VII) + (X) as a % of (A+B+C)	(XII)	(XIII)		(XIV)
1	Custodian / DR Holder																
(a)	Name of DR Holder (if any)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Employees benefit trust (under SEBI (Share based employee benefit) Regulations, 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Total non promoter non public shareholding (C) = (C)(1) + (C)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

5. Equity Shares held by Our Top Ten Shareholders

a) As on the date of the Draft Letter of Offer, i.e. January 11, 2018 is as follows:

S. No.	Name of the Shareholders	No. of Equity Shares	% of total Shareholding
1	Capital India Corp LLP (Formerly known as Trident Holding LLP)	22,32,300	63.73
2	Dharampal Satyapal Limited	3,28,500	9.38
3	Sudhir Power Limited	1,73,200	4.94
4	Neeta Jha	29,700	0.85
5	Ashok Sindhu	29,700	0.85
6	Suman Saharan	29,700	0.85
7	Sushila Gautam	29,700	0.85
8	Anil Kumar	29,700	0.85
9.	Ajay Singh	29,700	0.85
10.	Arun Kumar	26,900	0.77
Total		29,39,100	83.91

b) As on 10 days prior to the date of the Draft Letter of Offer, i.e. January 01, 2018 is as follows:

S. No.	Name of the Shareholders	No. of Equity Shares	% of total Shareholding
1	Capital India Corp LLP (Formerly known as Trident Holding LLP)	22,32,300	63.73
2	Sudhir Power Limited	1,73,200	4.94
3	Mantech Leasing & Finance Private Limited	1,64,500	4.70
4	Deeas Computrade Private Limited	1,64,000	4.68
5	Neeta Jha	29,700	0.85
6	Ashok Sindhu	29,700	0.85
7	Suman Saharan	29,700	0.85
8	Sushila Gautam	29,700	0.85
9.	Anil Kumar	29,700	0.85
10.	Ajay Singh	29,700	0.85
Total		29,12,200	83.14

c) As on two years prior to the date of Draft Letter of Offer, January 11, 2016 as follows:

S. No.	Name of the Shareholders	No. of Equity Shares	% of total Shareholding
1	Sainik Mining and Allied Services Ltd	14,67,800	41.90
2	Baljeet Singh	36,300	1.04
3	Sawai Singh	36,000	1.03
4	Preeti Chauhan	35,500	1.01
5	Madhulika Thakur	35,500	1.01
6	Ashok Kadian	35,100	1.00
7	Amar Singh Saharan	35,100	1.00
8	S B C Chauhan	35,100	1.00
9	Narender Singh Redu	35,000	1.00
10	Karam Pal Saharan	35,000	1.00
Total		17,86,400	51.00

6. Shareholding of our Directors and Key Managerial Personnel in our Company

None of the Directors and Key Managerial Personnel holds any Equity Shares of our Company as on the date of this Draft Letter of Offer

7. Subscription to the Issue by the Promoters and Promoter Group

M/s. Capital India Corp LLP, Promoter of our Company, has confirmed, on behalf of the Promoter Group, vide their letter dated January 11, 2018 that they intend to subscribe to the full extent of their Rights Entitlement in the Issue, in compliance with regulation 10(4) of the SEBI Takeover Regulations.

M/s. Capital India Corp LLP, Promoter of our Company, on its behalf and on behalf of the Promoter Group, has further confirmed vide their letter dated January 11, 2018 that, they intend to (i) subscribe for additional Equity Shares and (ii) subscribe for unsubscribed portion in the Issue, if any. Such subscription to additional Equity Shares and the unsubscribed portion, if any, to be made by the Promoter/ Promoter Group, shall be in accordance with regulation 10(4) of the SEBI Takeover Regulations. Their entitlement to subscribe to the Issue would be restricted to ensure that the public shareholding in the Company after the Issue does not fall below the permissible minimum level as specified in the applicable laws, including but not limited to, Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities Contracts (Regulations) Rules, 1957, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and Listing Agreement entered with the Stock Exchange.

8. Our Promoters and any of Designated Partner and their immediate relatives have not sold or purchased any shares of our Company during the period of six months preceding the date of this Draft Letter of Offer except that M/s. Capital India Corp LLP, promoter of our Company, has acquired 22,32,300 equity shares in Open Offer and acquisition from erstwhile promoters whose details is already given in above table titled “Capital Build-up of Existing Shareholding of Promoters” on page 38.
9. Our Promoter and Promoter group holds 22,32,300 equity shares of our Company representing 63.73% of the issued share capital. There is no shareholding of the partners of our Promoter, M/s. Capital India Corp LLP in our Company.
10. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares as on the date of the Draft Letter of Offer. We have no partly paid up equity shares or call in arrears as on the date of the Draft Letter of Offer.
11. None of the Equity Shares of our Company are locked-in as on the date of the Draft Letter of Offer.
12. None of the Equity Shares of our Company held by the Promoter is subject to pledge or encumbrance as on the date of the Draft Letter of Offer.
13. Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or corresponding provisions under the Companies Act, 2013.
14. Our Promoter Group, Directors and their relatives and Directors of our Corporate Promoter have not financed the purchase, by any other person, of the equity shares of our Company during the period of six months immediately preceding the date of filing of Draft Letter of Offer with the SEBI.
15. Our Company has no ESOP/ESOS Schemes and has not issued Bonus shares since its public issue in 1995.
16. None of the shares were issued by our Company during the last 12 months at a price lower than the Issue Price.
17. Our Company has no intention to alter the equity capital structure by way of split/consolidation of the denomination of the Equity Shares or bonus issue within a period of six months from the date of opening of the proposed issue. However, in order to meet business requirements, the Company may issue specified securities on preferential basis, or qualified institutional placements, further rights or public issue of Equity Shares within a period of six months from the issue opening date.

18. The present Issue being a Rights Issue, pursuant to Regulation 34 of the SEBI ICDR Regulations, the requirements of Promoters' contribution and lock-in are not applicable.
19. The directors or the Lead Manager have not entered into any buy back arrangements for purchase of the specified securities of the issue. Further, they have not entered for safety net facility as permitted in the Regulations.
20. All securities offered through the issue shall be fully paid up or may be forfeited for non-payment of calls within twelve months from the date of allotment of securities.
21. An over-subscription to the extent of 10% of the Issue Size shall be retained for purpose of rounding off to the nearer multiple of minimum allotment lot while finalizing the basis of allotment.
22. As on the date of this Draft Letter of Offer, the Lead Manager and its respective associates (as per the Companies Act, 2013) do not hold any Equity Shares in our Company.
23. No person connected with the Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an application for allotment of Rights Equity Shares in the Issue.
24. The ex-rights price of the Equity Shares as per Regulation 10(4)(b) of the SEBI Takeover Regulations is Rs.[●].
25. If we do not receive the minimum subscription of 90% in this Issue or if our Board fails to dispose off the unsubscribed Equity Shares in the manner as permitted under Section 62(1)(a)(iii), subject to receipt of requisite regulatory approvals, if any, after the Issue Closing Date or the subscription level falls below 90% after the Issue Closing Date on the account of cheques being returned unpaid or withdrawal of applications, we shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If the subscription amount is not refunded within 15 days from the Issue Closing date, we shall be liable to pay interest for the period of delay, after such aforesaid 15 days, in accordance with the provisions of the Companies Act, 2013 and SEBI ICDR Regulations.

OBJECTS OF THE ISSUE

The proceeds of the Issue are proposed to be utilized by us for financing the following objects:

1. Augmenting the capital base of our Company to meet future capital requirements;
2. General Corporate Purpose
3. Expenses for the issue

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable our Company and our subsidiary CIHLL to undertake their existing activities and the activities for which funds are being raised through this Rights Issue. The purpose for which the funds are being raised through the Issue fall within the main objects of the Memorandum of Association of our Company.

Requirement of Funds

The total estimated funds requirement is given below:

Sr. No.	Particulars	Amount (in ₹ Lakhs)
1	Augmenting Capital Base of the Company	45,000
2	General Corporate Purposes	[●]
3	Expenses for the issue	[●]
Total		52,500

Means of Finance

Sr. No.	Particulars	Amount (in ₹ Lakhs)
1	Proceeds from the Rights Issue	52,500
Total		52,500

Our fund requirement and deployment are based on internal Management estimates which are based on current conditions and as such are subject to change and has not been appraised by any bank or financial institution or any other independent agency.

We operate in highly competitive and dynamic market conditions and may have to revise our estimates from time to time on account of changes in external circumstances, including inter alia the costs associated with our business activities, our financial condition, and, our business activities and strategic initiatives. Further, the growth of our business is dependent on the general state of the economy and on the investment climate in the country. We therefore will regularly evaluate our business plan and make suitable adjustments, to the same. Consequently, our fund related requirements and schedules may also change.

Our Company proposes to meet the entire requirement of funds for the proposed objects of the Issue from the Net Proceeds. Accordingly, the Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Details of use of Issue Proceeds:

1. Augmenting the capital base of our company

We propose to expand our business of secured corporate lending, providing structured loans to builders / developers and promoters funding against assets / securities and other products as detailed in chapter “Our Business” on page 61 of this Draft letter of Offer. We cater to business and commercial enterprises for their financing requirements as well as individual borrower.

As an NBFC, we are subject to regulations relating to the capital adequacy. At present, our Company falls within the category of “Non-Banking Finance Company – Non-Systemically Important Non-Deposit taking Company” and accordingly is regulated by the regulations governing such NBFCs, which, inter alia, require us to have our leverage ratio (defined as the total Outside Liabilities/Owned Funds) to be not more than 7.

However, after the completion of the proposed Rights Issue, our Company will move to the category of “Non-Banking Finance Company – Systemically Important Non-Deposit taking Company” and accordingly will be governed by the regulations governing such NBFCs. Under RBI's Non Banking Financial (Non Deposit) Companies potential norms (Reserve Bank) Directions 2007 as amended from time to time, as per the extant regulations for such NBFCs promulgated by RBI - Every applicable NBFC shall maintain a minimum CRAR consisting of Tier I and Tier II capital which shall not be less than 15 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items.

Our Company proposes to utilise a part of Net Proceeds from the Fresh Issue towards augmenting its capital base to meet our future capital requirements. Our Company has identified wholesale lending and housing finance as key areas for expanding our financing business. As we seek to grow and expand our wholesale lending and housing finance business, part of Net Proceeds utilized towards this shall enable us to expand our lending business and ensure compliance with the capital adequacy requirements under the RBI directions for Non-Banking Finance Company – Systemically Important Non-Deposit taking Company.

2. General Corporate Purposes

Our Board, will have flexibility in applying the balance amount of the Net Proceeds towards general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds, including, strengthening marketing capabilities and brand building exercises, meeting our working capital requirements, funding our growth opportunities, including strategic initiatives, partnerships, joint ventures, and meeting of exigencies which our Company may face in course of business or any other purpose as may be approved by the Board.

The quantum of utilization of funds towards each of the above purposes will be determined by the Board of Directors based on the amount actually available under the head “General Corporate Purposes” and the business requirements of the Company, from time to time.

3. Expenses for the Issue

The Issue related expenses consist fees payable to the Lead Manager, Legal counsel and Registrar to the Issue, stationery printing and distribution expenses, legal fees, statutory advertisement expenses, NSDL / CDSL connectivity charges, fees payable to SEBI, listing fees, selling commission, if any, etc. The total expenses of the Issue are estimated to be approximately ₹[●] Lakhs.

Particulars	Estimated Expenses (₹ in Lakhs)	% of Estimated Issue size	(₹in lakhs) % of Estimated Issue expenses
Fees payable to intermediaries including Lead Manager and Registrar to the Issue	[●]	[●]	[●]
Advertising, travelling and marketing expenses	[●]	[●]	[●]
Printing and stationery expenses	[●]	[●]	[●]
Other expenses (including but not limited to legal counsel fees, SEBI fees, listing charges, depository fees, auditor fees, commission, brokerage, out of pocket reimbursements, etc.)	[●]	[●]	[●]
Total	[●]	[●]	[●]

Deployment of Funds towards the Objects of the Issue

We have incurred ₹7.08 lakhs upto December 26, 2017 towards the Objects of the Issue which has been certified by CA Divyank Khullar (Membership No 528399), Divyank Khullar & Associates, Chartered Accountants, vide his certificate dated December 26, 2017. The same has been incurred towards issue related expenses and have been financed through internal accruals/ working capital.

Interim Use of Proceeds

Pending utilization for the purpose described above, we intend to deposit the net proceeds only in Scheduled Commercial Banks included in the second schedule of Reserve Bank of India Act 1934, as may be approved by our Board.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Issue Proceeds.

Monitoring Utilization of Funds from Issue

We have appointed [●] as the monitoring agency for the Rights Issue. Our Board and the Monitoring Agency will monitor the utilization of Net Proceeds. The monitoring agency will also submit a report to our Board in terms of Regulation 16(2) of the SEBI ICDR Regulations.

Our Company will disclose the utilization of the Net Proceeds under a separate head along with details in our balance sheet(s) along with relevant details for all the amounts that have not been utilised and will indicate instances, if any, of unutilised Net Proceeds in our balance sheet for the relevant Financial Years post receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Additionally, the Audit Committee shall review the report submitted by the Monitoring Agency and make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in the Letter of Offer and place it before the Audit Committee. Such disclosure shall be made only till such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with Regulation 32 of the Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including deviations, if any, in the utilization of the Net Proceeds from the objects of the Issue as stated above. The information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Directors, Key Management Personnel and the members of our Promoter Group or our Group Company, except in the normal course of business and in compliance with applicable laws.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the Lead Manager on the basis of an assessment of market demand for the issued Equity Shares and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares of our Company is ₹10 each and the Issue Price is [●]. Investors should also refer to “*Our Business*”, “*Risk Factors*” and “*Financial Statements*” on pages 61, 7 and 108 respectively, to have an informed view before making an investment decision. The Issue Price is [●] times of the Face Value of Equity Shares.

Qualitative Factors

Our following strengths helps us to compete successfully in our industry:

- Proven track record of Management Team with relevant domain expertise
- Diversified product offerings presenting significant growth opportunities
- Deep market knowledge with strong relationships
- Robust credit assessment and risk management framework

For a detailed discussion on the qualitative factors, which form the basis for computing the Issue Price, see “*Our Business*”, “*Financial Statements*” and “*Risk Factors*” on 61, 7 and 108 respectively.

Quantitative Factors

Information presented below relating is derived from the Restated Financial Information for Financial year ended March 31, 2017, March 31, 2016 and March 31, 2015.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

1. Weighted Average Earnings per Equity Share (“EPS”)

As per our Restated Standalone Financial Information:

For the year/ period ended	Basic EPS	Diluted EPS	Weight
March 31, 2017	0.67	0.67	1
March 31, 2016	0.23	0.23	2
March 31, 2015	0.30	0.30	3
Weighted average⁽ⁱ⁾	0.34	0.34	

2. Price/Earning (P/E) ratio in relation to Issue Price of ₹[●] per Equity Share of ₹10 each:

Particulars	P/E at the Issue Price
	(Consolidated)
Based on weighted average EPS	0.34
Based on EPS as on March 31, 2017	0.67
Industry P/E Multiple:	
Highest (Bajaj Finserv Ltd)	613.40
Lowest (Amrapali Fincap Ltd)	4.80
Average	43.70

Source: *Capital market dated* December 18-31, 2017.

3. Return on Net Worth (“RONW”)

As per our Restated Standalone Financial Information:

For the year ended	RONW	Weight
March 31, 2017	5.95	1
March 31, 2016	2.21	2
March 31, 2015	3.01	3
Weighted average	3.23	

4. **Minimum Return on Increased Net Worth required to maintain pre-Issue EPS for the year ended March 31, 2017 :**

To maintain pre-issue basic EPS:

Particulars	Standalone (%)
At the Issue Price	[●]

To maintain pre-issue diluted EPS:

Particulars	Standalone (%)
At the Issue Price	[●]

5. **Net Asset Value (“NAV”) per Equity Share for our Company (in ₹)**

As of the year Ended	NAV (Standalone)
March 31, 2017	11.29
March 31, 2016	10.61
March 31, 2015	9.97
After the Issue	[●]

6. **Comparison with Industry Peers (on a standalone basis):**

S. No.	Name of the company	For the year ended March 31, 2017				
		Face Value (₹)	Basic EPS (₹)	P/E	RONW (%)	NAV (₹)
1	Capital India Finance Ltd	10.00	0.67	50.41	5.95	11.29
	Peer Group					
2	Amrapali Fincap Ltd	10.00	0.30	4.80	0.30	106.44
3	Bajaj Finserv Ltd	5.00	4.40	613.40	2.60	173.82
4	CSL Finance Ltd	10.00	27.70	29.30	15.50	243.95
5	Sainik Finance & Industries Ltd	10.00	1.20	17.00	4.00	29.50

Source: Capital market dated December 18-31, 2017.

The Issue Price of ₹ [●] has been determined by our Company, in consultation with the Lead Manager on the basis of assessment of market demand from investors for the Equity Shares and is justified in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with “Risk Factors”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 7, 108 and 154, respectively, to have a more informed view.

**STATEMENT OF TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS
UNDER THE APPLICABLE LAWS IN INDIA**

The Board of Directors,

Capital India Finance Limited,
(Formerly known as Bhilwara Tex-Fin Ltd)
Office-2nd Floor, DLF Centre
Sansad Marg, New Delhi-110001

Dear Sirs,

Sub: Statement of Special tax benefit ('the Statement') available to Capital India Finance Limited and its shareholders prepared in accordance with the requirements under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the 'Regulations')

1. We hereby confirm that the enclosed Annexure, prepared by Capital India Finance Limited, ('the Company'), provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 ('the Act'), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfill.
2. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
3. We do not express any opinion or provide any assurance as to whether:
 - i) the Company or its shareholders will continue to obtain these benefits, in future;
 - ii) the conditions prescribed for availing the benefits have been / would be met with;
 - iii) the revenue authorities/courts will concur with the views expressed herein.
4. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.
5. No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change.
6. We shall not be liable to Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct.

7. The enclosed annexure is intended for your information and for inclusion in the Draft Prospectus /Prospectus in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our written consent.

For AVK & Associates

Chartered Accountants

Firm Registration No-002638N

(CA Ashwani Kumar Relan)

Partner

Membership No. 088309

Place: New Delhi

Date:26.12.2017

ANNEXURE

Statement of Special Tax Benefits available to the Company & its Shareholder under the Income Tax Act, 1961 and other Direct Tax Laws presently in force in India

There are no specific special tax benefits available to the Company and its shareholders under the current direct tax laws in India

For AVK & Associates

Chartered Accountants

Firm Registration No-002638N

(CA Ashwani Kumar Relan)

Partner

Membership No. 088309

Place: New Delhi

Date:26.12.2017

INDUSTRY OVERVIEW

The information presented in this section has been obtained from publicly available documents from various sources including officially prepared materials from the Government of India and its various ministries, industry websites/publications and company estimates. Industry websites / publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Although we believe industry, market and government data used in the Draft Letter of Offer is reliable, it has not been independently verified. Similarly, our internal estimates, while believed by us to be reliable, have not been verified by any independent agencies.

Indian Economy

Strong government spending and data revisions in India led to an upward revision in India led to an upward revision of 2016 growth to 7.1 percent (6.8 percent in April), with upward revisions of about 0.2 percent point, on average, for 2014 and 2015. However, the growth projections for 2017 has been revised down to 6.7 percent (7.2 percent in April), reflecting still lingering disruptions associated with the currency exchange initiative introduced in November 2016, as well as transition costs related to the launch of the national Goods and Service Tax in July 2017.

(Source: International Monetary Fund - World Economic Outlook - October 2017).

As per the latest estimates available on the Index of Industrial Production (IIP), the General Index for the month of September 2017 stands at 122.7, which is 3.8% higher as compared to the level in the month of September 2016. The cumulative growth during April-September 2017 over the corresponding period of the previous year stands at 2.5%. The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of September 2017 stand at 94.6, 125.1 and 150.5 respectively, with the corresponding growth rates of 7.9%, 3.4 % and 3.4 % as compared to September 2016. The cumulative growth in these three sectors during April-September 2017 over the corresponding period of 2016 has been 3.9 %, 1.9 % and 5.7 % respectively. In terms of industries, eleven (11) out of the twenty three (23) industry groups (as per 2- digit NIC-2008) in the manufacturing sector have shown negative growth during the month of September 2017 as compared to the corresponding month of the previous year.

(Source: Website of Ministry of Statistics and Programme Implementation)

The Foreign Direct Investment (FDI) was USD 45.15 Billion in FY 2014-15 and USD 55.56 Billion in FY 2015-16 and USD 60.08 Billion during April 2016 to March 2017 in FY 2016-17 as per provisional figures by RBI. The cumulative amount of FDI Inflows from April 2000 to September 2017 stood at USD 518.10 Billion.

(Source: Website of Department of Industrial Policy and Promotion)

NON BANKING FINANCIAL COMPANIES

A Non-Banking Financial Company (NBFC) is a company registered under the Companies Act, 1956 engaged in the business of loans and advances, acquisition of shares/stocks/bonds/debentures/securities issued by Government or local authority or other marketable securities of a like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, purchase or sale of any goods (other than securities) or providing any services and sale/purchase/construction of immovable property. A non-banking institution which is a Company and has principal business of receiving deposits under any scheme or arrangement in one lump sum or in installments by way of contributions or in any other manner, is also a non-banking financial company (Residuary non-banking company).

NBFCs lend and make investments and hence their activities are akin to that of banks; however there are a few differences as given below:

- i. NBFC cannot accept demand deposits;
- ii. NBFCs do not form part of the payment and settlement system and cannot issue cheques drawn on itself;
- iii. Deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositors of NBFCs, unlike in case of banks.

In terms of Section 45-IA of the RBI Act, 1934, no Non-Banking Financial company can commence or carry on business of a nonbanking financial institution without a) obtaining a certificate of registration from the Bank and without having a Net Owned Funds of ₹25 lakhs (₹ Two crore since April 1999). However, in terms of the powers given to the Bank, to obviate dual regulation, certain categories of NBFCs which are regulated by other regulators are exempted from the requirement of registration with RBI viz. Venture Capital Fund/Merchant Banking companies/Stock broking companies registered with SEBI, Insurance Company holding a valid Certificate of Registration issued by IRDA, Nidhi companies as notified under Section 620A of the Companies Act, 1956, Chit companies as defined in clause (b) of Section 2 of the Chit Funds Act, 1982, Housing Finance Companies regulated by National Housing Bank, Stock Exchange or a Mutual Benefit company.

A company incorporated under the Companies Act, 1956 and desirous of commencing business of non-banking financial institution as defined under Section 45 I(a) of the RBI Act, 1934 should comply with the following:

- i. It should be a company registered under Section 3 of the companies Act, 1956.
- ii. It should have a minimum net owned fund of ₹ 200 lakh. (The minimum net owned fund (NOF) required for specialized NBFCs like NBFC-MFIs, NBFC-Factors, and CICs is indicated separately in the FAQs on specialized NBFCs).

Types / Categories of NBFCs registered with RBI:

NBFCs are categorized a) in terms of the type of liabilities into Deposit and Non-Deposit accepting NBFCs, b) non deposit taking NBFCs by their size into systemically important and other non-deposit holding companies (NBFC-NDSI and NBFC-ND) and c) by the kind of activity they conduct. Within this broad categorization the different types of NBFCs are as follows:

- i) **Asset Finance Company (AFC) :** An AFC is a company which is a financial institution carrying on as its principal business the financing of physical assets supporting productive/economic activity, such as automobiles, tractors, lathe machines, generator sets, earth moving and material handling equipments, moving on own power and general purpose industrial machines. Principal business for this purpose is defined as aggregate of financing real/physical assets supporting economic activity and income arising therefrom is not less than 60% of its total assets and total income respectively.
- ii) **Investment Company (IC):** IC means any company which is a financial institution carrying on as its principal business the acquisition of securities.
- iii) **Loan Company (LC):** LC means any company which is a financial institution carrying on as its principal business the providing of finance whether by making loans or advances or otherwise for any activity other than its own but does not include an Asset Finance Company.
- iv) **Infrastructure Finance Company (IFC):** IFC is a non-banking finance company a) which deploys at least 75 per cent of its total assets in infrastructure loans, b) has a minimum Net Owned Funds of RS. 300 crores, c) has a minimum credit rating of 'A 'or equivalent d) and a CRAR of 15%.
- v) **Systemically Important Core Investment Company (CIC-ND-SI):** CIC-ND-SI is an NBFC carrying on the business of acquisition of shares and securities which satisfies the following conditions:-
 - a) It holds not less than 90% of its Total Assets in the form of investment in equity shares, preference shares, debt or loans in group companies;
 - b) Its investments in the equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies constitutes not less than 60% of its Total Assets;
 - c) It does not trade in its investments in shares, debt or loans in group companies except through block sale for the purpose of dilution or disinvestment;
 - d) Its asset size is ₹ 100 crore or above and
 - e) It accepts public funds.

- vi) Infrastructure Debt Fund: Non- Banking Financial Company (IDF-NBFC): IDF-NBFC is a company registered as NBFC to facilitate the flow of long term debt into infrastructure projects. IDF-NBFC raise resources through issue of Rupee or Dollar denominated bonds. Banks and Infrastructure Finance Companies (IFC) can sponsor IDF-NBFCs.
- vii) Non-Banking Financial Company - Micro Finance Institution (NBFC-MFI): NBFC-MFI is a non-deposit taking NBFC having not less than 85% of its assets in the nature of qualifying assets which satisfy the following criteria:
 - a. Loan disbursed by an NBFC-MFI to a borrower with a rural household annual income not exceeding ₹ 1,00,000 or urban and semi urban household income not exceeding ₹ 1,60,000;
 - b. Loan amount does not exceed ₹ 50,000 in the first cycle and ₹ 1,00,000 in subsequent cycles;
 - c. Total indebtedness of the borrower does not exceed ₹ 1,00,000;
 - d. Tenure of the loan not to be less than 24 months for loan amount in excess of ₹ 15,000 with prepayment without penalty;
 - e. Loan to be extended without collateral;
 - f. Aggregate amount of loans, given for income generation, is not less than 50 per cent of the total loans given by the MFIs;
 - g. Loan is repayable on weekly, fortnightly or monthly instalments at the choice of the borrower.
- viii) Non-Banking Financial Company – Factors (NBFC-Factors): NBFC-Factor is a non-deposit taking NBFC engaged in the principal business of factoring. The financial assets in the factoring business should constitute at least 75 percent of its total assets and its income derived from factoring business should not be less than 75 percent of its gross income.
- ix) Mortgage Guarantee Companies (MGC) - MGC are financial institutions for which at least 90% of the business turnover is mortgage guarantee business or at least 90% of the gross income is from mortgage guarantee business and net owned fund is ₹ 100 crore.
- x) NBFC- Non-Operative Financial Holding Company (NOFHC) is financial institution through which promoter / promoter groups will be permitted to set up a new bank .It's a wholly-owned Non-Operative Financial Holding Company (NOFHC) which will hold the bank as well as all other financial services companies regulated by RBI or other financial sector regulators, to the extent permissible under the applicable regulatory prescriptions.

Systemically important NBFCs

NBFCs whose asset size is of ₹ 500 cr or more as per last audited balance sheet are considered as systemically important NBFCs. The rationale for such classification is that the activities of such NBFCs will have a bearing on the financial stability of the overall economy.

The regulation on non-deposit accepting NBFCs with asset size of less than ₹ 500 crore would be as under:

- i. They shall not be subjected to any regulation either prudential or conduct of business regulations viz., Fair Practices Code (FPC), KYC, etc., if they have not accessed any public funds and do not have a customer interface.
- ii. Those having customer interface will be subjected only to conduct of business regulations including FPC, KYC etc., if they are not accessing public funds.
- iii. Those accepting public funds will be subjected to limited prudential regulations but not conduct of business regulations if they have no customer interface.
- iv. Where both public funds are accepted, and customer interface exist, such companies will be subjected both to limited prudential regulations and conduct of business regulations.

- **Public Funds** - are not the same as public deposits. Public funds include public deposits, inter-corporate deposits, bank finance and all funds received whether directly or indirectly from outside sources such as funds raised by issue of Commercial Papers, debentures etc. However, even though public funds include public deposits in the general course, it may be noted that CICs/CICs-ND-SI cannot accept public deposits.

Further, indirect receipt of public funds means funds received not directly but through associates and group entities which have access to public funds.

- **Prudential Norms Applicable to NBFC-** RBI has issued detailed directions on prudential norms, vide Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 and Systemically Important Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015. Applicable regulations vary based on the deposit acceptance or systemic importance of the NBFC.

The directions inter alia, prescribe guidelines on income recognition, asset classification and provisioning requirements applicable to NBFCs, exposure norms, disclosures in the balance sheet, requirement of capital adequacy, restrictions on investments in land and building and unquoted shares, loan to value (LTV) ratio for NBFCs predominantly engaged in business of lending against gold jewellery, besides others. Deposit accepting NBFCs have also to comply with the statutory liquidity requirements. Details of the prudential regulations applicable to NBFCs holding deposits and those not holding deposits is available in the section 'Regulation – Non-Banking – Notifications - Master Circulars' in the RBI website.

- **Owned Fund** - means aggregate of the paid-up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, after deducting therefrom accumulated balance of loss, deferred revenue expenditure and other intangible assets. 'Net Owned Fund' is the amount as arrived at above, minus the amount of investments of such company in shares of its subsidiaries, companies in the same group and all other NBFCs and the book value of debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group, to the extent it exceeds 10% of the owned fund.

Performance of Non-Banking Financial Companies (NBFCs)

Reserve Bank of India (RBI) has informed that as of March 2017, there were 11,517 Non-Banking Financial Companies (NBFCs) registered with them, of which 179 are deposit accepting NBFCs (NBFC-D) and 250 are Systemically Important Non Deposit accepting NBFCs (NBFC-ND-SI). All NBFC-D and NBFC-ND-SI excluding State run NBFCs are subject to prudential regulations such as capital adequacy requirements and provision norms along with reporting requirements.

As per the returns submitted by the reporting NBFCs, the loans and advances increased by 16.4% in March 2017.

The NPAs of NBFCs excluding State run NBFCs registered with RBI for the past three financial years are as under:

	March 2015	March 2016	March 2017
Gross NPA to Total Advances (%)	4.60	4.60	4.40
Net NPA to Total Advances (%)	2.50	2.50	2.30

Asset quality and Capital adequacy

Gross NPAs of the NBFC sector as a percentage of total advances declined from 4.9 percent to 4.4 percent between September 2016 and March 2017. NNPA as a percentage of total advances also declined from 2.7 percent to 2.3 percent.

As per extant guidelines, NBFC-NDSI are required to maintain a minimum capital consisting of Tier I and Tier II capital, of not less than 15 percent of their aggregate risk-weighted assets. The CRAR of NBFCs declined from 23.1 percent to 22.0 percent between September 2016 and March 2017.

Competitions – The several large and medium sized NBFCs catering the demand of corporates and whole sale sector like Sundaram Finance Limited, Mahindra & Mahindra Financial Services Limited, Magma Fincorp Limited, Kotak Mahindra Group, Tata Capital etc.

Housing finance market outlook

The housing finance market in India is growing fast and is served by multiple institutions that cater to people in diverse geographies and across income spreads. Mortgage lending has significantly contributed to growth in housing construction and housing consumption. The Indian housing finance loan market has grown rapidly, with housing finance companies (“HFCs”) at the forefront of that growth. HFCs are regulated by National Housing Bank.

Despite an increase in residential property prices in recent years, demand for individual home loans remained buoyant, with strong growth from tier-II and tier-III cities. With capital values in tier-I cities and metros remaining at unaffordable levels, the tier-II and tier-III cities have emerged as new avenues for growth. Employment opportunities, affordable property prices and availability of finance have been encouraging an increasing number of people to migrate from smaller towns and rural areas to tier-II and tier-III cities. With strong presence in tier-II and tier-III cities and superior client servicing resulting in quicker turnaround time, HFCs will be able to grow at a similar pace with banks. HFCs have shown strong growth in disbursements in non- metro cities because of favourable factors, such as demand for underlying assets, stable operating environment, increased financial penetration and steady property prices. Further, demand for affordable housing is also likely to stimulate housing demand in the near term, as more developers launch projects in this category.

Demand Drivers of Housing Industry

- Population growth
- Nuclearisation
- Affordability
- Availability of finance

Competition in Housing Finance Industry

The major private sector housing finance companies include- HDFC Ltd, Indiabulls Housing Finance Limited, Dewan Housing Finance Limited & L&T Housing Finance Limited etc.

OUR BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should for a discussion of the risks and uncertainties related to those statements and for a discussion of certain factors that may affect our business, financial condition or results of operations read “Risk Factors” on page 7. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated, the financial information included herein is based on our Restated Standalone Financial Statements for Fiscal 2013, 2014, 2015, 2016 and 2017 and restated Standalone and consolidated for the seven month period ended October 31, 2017 included in this Draft Letter of Offer. For further information, see “Financial Statements” on page 108.

We are a NBFC with more than two decades of business experience. At present, our Company falls within the category of “Non-Banking Finance Company – Non-Systemically Important Non-Deposit taking Company”. However, after the completion of the proposed Rights Issue, our Company will move to the category of “Non-Banking Finance Company – Systemically Important Non-Deposit taking Company” and accordingly will be governed by the regulations governing such NBFCs. Our company has been taken over by new management from November 27, 2017 and present promoter completed the acquisition of shares from erstwhile promoter of the Company and through Open offer from public shareholders of the Company, in December, 2017. We are a professionally managed finance company with registered office at Delhi and Corporate office at Mumbai. Main objects of our Company are as under:

- To provide financial services of all kinds, including fund based financial services
- To carry on business, profession or vocation of acting as consultants, advisors for all matters

We intend to focus on being a partner credit institution and will seek to provide customised technology driven tailor-made financial solutions to Indian Corporates and Enterprises for their growth and working capital requirements. We will provide financing solutions primarily in situations where there is an ‘asset’ available as collateral sufficient to secure the lending. Capital India has an in-house team of experts to evaluate, value and estimate marketability of all kinds of assets. We will significantly focus on Commercial Real Estate sector for structured solutions to residential and commercial projects in Tier 1 towns of India, primarily Mumbai MMR, Delhi NCR, Bangalore, and Pune.

As of March 31, 2017 and October 31, 2017 our folio of Long Term loans and advances was Rs. 7,825.72 lakhs and Rs 9,997.75 lakhs respectively

Our Financing products includes:

1. Real Estate Project Finance (CRE)

Product Description: Project finance is required for meeting project acquisition/construction cost for Residential, Commercial, Retail or other real estate development. Under this product, loans are offered to the developers/builders for acquisition, construction & development of their projects. The purpose is to meet the project specific cost including acquisition of project or land & construction related expenses. Evaluation of the cash flows from the project for which the loan is being granted is of paramount importance. It is also necessary to understand the risk related to conceptualization, execution, completion and salability of the project.

Tenure of the loan depends upon the project size and execution period. It generally ranges from 12 months to 72 months. The loan repayment is generally from project specific inflows or from enterprise cash flows. Escrow account shall be opened for monitoring & controlling the inflows from the project. Below is the broad guidance to product. Actual terms shall be as approved on case to case basis.

Key Product Features:

- **Tenure:** Max 72 months
- **Security Types:**
 - Mortgage of property under consideration
 - Security cover of 1.5 times to the loan amount
 - Escrow of project receivables and/or movables assets
 - Personal Guarantee of Promoters/directors
 - Corporate guarantee of company/third party security providers
 - Term Deposit (Debt Service Reserve Account or DSRA) to the extent of 3 months interest to be kept & lien of CIFL thereon.
 - Undated cheque for repayment of loan liability
- **Type of Property:** Residential, Commercial, Retail, Township projects, Industrial real estate.
- **Legal and Technical reports:** The title of property under consideration should be clear and marketable. It will be validated from the Title report issued by our empaneled legal agency. Disbursement will be subject to clearance of title.
Technical valuation report shall contain project details on location, current stage of construction, type of property, No. of units, current market value as well as distressed value of the property, regulatory approvals in place and verified, project completion timelines, the exact area of the property, Technical valuation report will be submitted by our empaneled agency. These technical details will be reconciled with project details submitted by Borrower and vetted by in-house technical team member. Till the time we develop an in-house technical team, we may rely on taking technical reports from two empaneled agencies and the report providing a lower value of the project will be considered for asset cover calculation.
- **Charges:** Processing Charges would be collected after sanction but prior to disbursement. Charges for stamp duty/franking will have to be paid by the customer at the time of security creation.
- **Security creation and perfection:** Security creation process should be completed within timeframe specified in approval terms. In case of corporate borrowers, charge will have to be registered with ROC. In case of Balance transfer/Takeover loans, original documents must be obtained within 30 days from loan outstanding disbursement. Funding over and above take over amount should be done post receipt of original property documents and creation of mortgage.
- **Disbursement:** The disbursement should be made in tranches as per original approval terms on compliance of milestones mentioned therein. Disbursement shall be made only after receiving all internal and legal approvals for the transaction.
- **End-use:** End use of funding should be primarily towards construction and completion of project under consideration or for the purpose specifically mentioned in approval terms
- **Interest:** The applicable interest rate would be in accordance with CIFL's internal policies and sanction terms of the loan
- **Repayment:** Matching with project cash flows and as stipulated in approval terms. Repayment can also be through adjustment of project receivable as per pre-defined threshold.

2. **Promoter's Funding / Loan Against Shares (LAS) /Loan Against Mutual Funds, Bonds & Fixed Deposits**

Product Description: Promoter's funding is generally availed by promoters of companies wherein they pledge their shares to raise funds for either personal or company's needs. For availing such loans against shares, any shareholder can pledge shares to the lender. But unlike promoters, general investors /shareholders are not required to disclose the quantum of the shares so pledged.

Loans can also be taken against the security of Loans against mutual funds, bonds & fixed deposits depending on the collateral value and other parameters based on the evaluation of borrower.

Key Product Features:

- **Tenure:** Up to 36 months
- **Security:** Loan would be secured by way of pledge/lien on marketable securities, which includes listed equities, mutual funds, bonds and various market linked securities, Personal Guarantee ("PG"), Corporate Guarantee ("CG") and Security post-dated cheques (SPDC). To the extent possible, it has to be ensured that the shares/securities are in dematerialized mode.
- **Margin:** Not less than 50%
- **Property as additional /secondary collateral:** Residential, Commercial, Retail, Township projects, Industrial real estate may be taken on case to case basis.
- **Charges:** Processing Charges would be collected after sanction but prior to disbursement. Charges for stamp duty/franking will have to be paid by the customer at the time of security creation.
- **Security creation and perfection:** Security creation process should be completed within timeframe specified in approval terms. All formalities required to create a valid pledge including but not registering it with the depositories shall be completed prior to disbursement. In case of corporate borrowers, charge will have to be registered with ROC
- **Disbursement:** The disbursement should be made in favor of borrower as per approval terms. Disbursement shall be made only after receiving all internal and legal approvals for the transaction.
- **End-use:** Monitoring of End use to be done as per approval terms
- **Interest:** The applicable interest rate would be in accordance with CIFL's internal policies and sanction terms of the loan
- **Repayment:** As stipulated in approval terms.

3. **Loan Against Property (LAP) /Lease Rental Discounting (LRD)**

Product Description:

Loan against Property (LAP): Under this product loans are offered against an existing ready property/land/any other assets of HNIs/Developers/Customers. End use of funds may be for general business purpose or purchase of land/FSI or it may be for debt consolidation or takeover of existing facility. The loan would be offered as a certain percentage of the property's market value/guideline value.

Lease Rental discounting (LRD): Loans are offered to developers/customers based on real estate properties developed by them/acquired by them, which are leased out or are proposed to be leased out. This product is designed to offer loans by discounting rentals received/receivables from Lessees of such properties. Important factors to be analyzed are demand and supply for leased property in local market, lock in period, loan to value etc.

Key Product Features:

- **Tenure:** Up to 20 years for LAP. In case of LRD, the tenure offered can be upto 15 years
- **Security:** Loan would be secured by way of exclusive charge by way of Equitable /Registered mortgage of the property financed, PG, CG and Security post-dated cheques (SPDC), Escrow of Receivables in LRD. Security cover of 1.5 times & 3 months DSRA to be maintained (3 months rentals in case of LRD)
In case of LRD, CIFL will have charge on respective rent receivables too along with property. The borrower will have to maintain an escrow account with a Bank. Rent will have to be deposited by the lessee monthly into this escrow account. Repayment to CIFL will be through this escrow account.
- **Type of Property:** Loan would be provided against residential, commercial, Retail/Mall, SEZ, industrial properties & any other real estate property in identified locations.
- **Age of Property:** Residual age at time of loan maturity should be 5 years or more.
- **Legal and Technical reports:** The title of property under consideration should be clear and marketable. It will be validated from the Title report issued by our empaneled legal agency. Disbursement will be subject to clearance of title.
Technical valuation report shall contain property details on location, type of property, current market value as well as distressed value of the property, regulatory approvals in place and verified, the exact area of the property, Age of property and so on. Technical valuation report will be submitted by our empaneled agency. As per product norms, wherever two valuations are required, technical reports from two technical agencies to be taken on record and lower among them to be considered for LTV calculation.
- **Charges:** Processing Charges would be collected after sanction but prior to disbursement. An initial money deposit (IMD), as per product policy norms, shall be collected from the customer at the time of application. Charges for stamp duty/franking will have to be paid by the customer at the time of security creation.
- **Security creation and perfection:** Prior to disbursement of loans, security creation process should be completed within the approved timeframe. In case of corporate borrowers, charge will have to be registered with ROC. In case of Balance transfer (BT)/Takeover loans, original documents must be obtained within 30 days from loan outstanding disbursement. Funding over and above take over amount should be done post receipt of original property documents and creation of mortgage.
- **Disbursement:** The disbursement of the loan can be made favoring borrower or otherwise as per original approval terms. Disbursement shall be made only after receiving all internal and legal approvals for the transaction.
- **End-use:** Proposed funding to be used for the purpose mentioned in original approval terms and before disbursal, customers will have to submit the end-use declaration mentioning the end use of the loan approved by CIFL
- **Interest:** The applicable interest rate would be in accordance with CIFL's internal policies and sanction terms of the loan
- **Repayment:** Equated monthly installments or other intervals as per the sanction terms through Automated Clearing House (ACH) /Electronic Clearing System (ECS) case of LRD, repayment will happen through escrow of rentals. In LRD, amortization of loan may be regular amortization as per defined repayment schedule or turbo amortization. Turbo amortization means in case of any surplus of lease rentals post appropriation of regular EMIs shall be adjusted for prepayment of the facility in inverse order of maturity.

4. **Non-Residential Property (NRP) / Commercial Property Purchase Loan**

Product Description: NRP or commercial property purchase loan is a secured form of financing where the borrower seeks finance towards purchase or construction of commercial property under consideration.

Key Product Features:

- **Tenure:** Up to 20 years
- **Security:** Loan would be secured by way exclusive charge by way of Equitable/Registered mortgage of commercial property under consideration, Personal Guarantee, Corporate Guarantee and Security post-dated cheques (SPDC)
- **Type of Property:** Commercial
- **Age of Property:** Residual age at time of loan maturity should be 5 years or more.
- **Legal and Technical reports:** The title of property under consideration should be clear and marketable. It will be validated from the Title report issued by our empaneled legal agency. Disbursement will be subject to clearance of title.
Technical valuation report shall contain property details on location, current stage of construction – wherever applicable, type of property, current market value as well as distressed value of the property, regulatory approvals in place and verified, project completion timelines – wherever applicable, the exact area of the property, Age of property post completion and so on. Technical valuation report will be submitted by our empaneled agency.
For Approved Project Finance (APF) cases, no case specific legal/technical report needs to be collected once master legal/technical report for the project is in place.
- **Charges:** Processing Charges would be collected after sanction but prior to disbursement. An initial money deposit (IMD), as per product policy norms, shall be collected from the customer at the time of application. Charges for stamp duty/franking will have to be paid by the customer at the time of security creation.
- **Security creation and perfection:** Prior to disbursement of loans, security creation process should be completed within the approved timeframe. In case of corporate borrowers, charge will have to be registered with ROC. In case of Balance transfer (BT)/Takeover loans, original documents must be obtained within 30 days from loan outstanding disbursement. Funding over and above take over amount should be done post receipt of original property documents and creation of mortgage.
- **Disbursement:** The disbursement should be made favoring builder as per payment schedule or seller of property directly in case of resale transaction. In case of BT, disbursement to the extent of outstanding amount of existing financier should be made favoring financier. Disbursement shall be made only after receiving all internal and legal approvals for the transaction.
- **End-use:** End use of funding should be towards buying /construction of commercial property under consideration.
- **Interest:** The applicable interest rate would be in accordance with CIFL's internal policies and sanction terms of the loan
- **Repayment:** Equated monthly installments or other intervals as per the sanction terms through ACH/ECS

5. Unsecured Loans/Personal Loans

Product Description: CIFL will offer Business Loans (BL) to business community to cater to their short term funds requirements either for capex or working capital gap. Personal Loans (PL) will be offered to salaried borrowers for their personal needs. Ad hoc facility to existing customer will be offered to match short term cash flow mismatch. Lending decisions here will be supported by applicant's creditworthiness, business model and cash flows. When loans are provided to an individual, it is essential to do a proper assessment of the person who is offering Co-obligant/Guarantee, when we process loans on individual basis

Key Product Features:

- **Tenure:** Up to 3 years in BL, Up to 5 years in PL & 3 months in Ad hoc facility
- **Commercials:** This being unsecured form of lending, and to have risk return trade off, it will be priced higher than secured lending – both in terms of ROI and processing fees. Processing Fees can be collected from disbursement being the market practice. Charges for stamp duty/franking will have to be paid by customer and same can also be deducted from disbursement.
- **Disbursement:** The disbursement here will be favoring applicant's business account in BL and savings account of borrower in case of PL. Ad hoc facility shall be disbursed in client current account.
- **End-use:** End use of funding should be towards applicant's short-term business requirements in case of BL, personal needs of borrower for PL. Ad hoc shall be short term cash flow mismatch.
- **Repayment:** Equated monthly installments or other intervals as per the sanction terms through ACH/ECS

6. Non – Convertible Debentures (NCD)

Product Description: NCDs are typically secured/unsecured debt instruments issued by companies incorporated under the companies act. NCD's, which will be subscribed by CIFL, should be secured against the security of any asset in line with product norms. CIFL may subscribe to NCD's which are issued on private placement basis or public issue basis.

Investment can be done by subscribing to primary issuance or purchase from secondary market.

Key Product Features:

- **Tenure:** Minimum 12 months and upto 72 months
- **Mode of issue:** Investment can be made in the instruments issued on private placement or public issue basis.
- **Form of Investment:** Only in Dematerialized form
- **Rating:** Investment can be done in both rated or unrated instruments
- **Listing:** Investment can be done in both listed or unlisted instruments
- **Security:** Loan would be secured by way of exclusive charge by way of Equitable/Registered mortgage of property under consideration, Pledge, PG, CG and Security post-dated cheques (SPDC), security cover of 1.5 times to be maintained & DSRA of three months to be maintained.
- **Coupon:** Floating/Fixed
- **Coupon payout:** Monthly/quarterly/half yearly/yearly/cumulative on maturity

- **Redemption/repayment:** Monthly/quarterly/half yearly/yearly/cumulative on maturity

7. **Structured Finance**

Product Description: With increase in economic activity in corporate sector and need for innovative financial products, there is huge business potential for lending to established corporate sector and new enterprise. There is demand for general business purpose loans, structured financing solutions for acquisition, expansion, exit to Private Equity partners, buyout of partner's stake, pre-IPO financing needs & business diversification etc.

CIFL will provide financing solutions to customers in following forms

- Terms loans
 - Intercorporate deposits(ICD)
 - Non-Convertible Debentures (NCDs), Optionally or compulsorily convertible debentures (OCD or CCD)
 - Optionally or Compulsorily Convertible Preference shares (OCP or CCP)
 - Guarantees
 - Any other lending instrument/investment as approved by respective approving authority (as may be regulatorily permissible)
- The financial solution may be unsecured or partly secured/fully secured against the security acceptable to the approval authority of the proposal.

Key Product Features:

- **Tenure:** Up to 5 years
- **Security:**
 - Loan would be secured by way of Equitable/Registered mortgage of Property (if any)
 - Pledge of shares/stake of operating company to ensure security cover of 2 times of the loan. Value of stake should be counted on fully diluted basis in case there are convertible instruments outstanding.
 - CG/PG of Promoters, Guarantee of entity providing pledge of shares, Undated cheque for repayment of liability, DSRA
- **Security creation and perfection:** Prior to disbursement of loans, security creation process/Pledge of shares should be completed within the approved timeframe.
- **Put/Call Option:** - Call option and or put option can be built into the transaction taking into consideration various factors including interest rate sensitivity, business risk, event risk etc.
- **Disbursement:** As per approved terms of transactions. Disbursement shall be made only after receiving all internal and legal approvals for the transaction.
- **End-use:** Purpose of loan can be General corporate purpose, Infusion as equity/debt/quasi equity in the operating company or any other venture of the group, capital expenditure for growth plans etc.
- **Repayment:** Repayment structure should be suited to the availability of cash flow/quarterly/half yearly/annual in installment or bullet repayment. Put/call option can be offered to take care of time line contingencies of cash flows.

Evaluation of unsecured exposure shall also be done taking into consideration the following non-financial factors

- Goodwill of promoters
- Historical delinquencies/track records of other loans
- Rating of companies
- Group visibility among others

CREDIT APPRAISAL PROCESS

Credit Appraisal is a process to ascertain the risks associated with the extension of credit facility. Credit risk is a risk related to non-repayment of the credit obtained by the customer. Thus it is necessary to appraise the credit worthiness of the customer in order to mitigate the credit risk. Capital India being a member of all Credit Information Companies (CICs) as directed by RBI, shall submit data (including historical data) to them.

Credit Appraisal Standards

Capital India has defined the following credit appraisal standards to be consistently followed across business units for credit origination and sanction:

- Before a credit facility is approved/ renewed, the credit proposal should be rigorously appraised. The credit appraisal process would involve an in-depth study of the financial, technical, industry/sector and managerial aspects of the Borrower, repayment behavior and collateral assessment
- Credit origination should be in line with the credit filters defined with respect to various product offerings
- Business units should note that credit filters are designed to weed out cases with weak credit/financial profile and are never a proxy to in-depth credit analysis and market reference checks
- Adequate credit assessment for every proposal should be carried out by the credit underwriting unit within the credit risk unit. Mere margin and security stipulation should not be used as a substitute to due diligence on credit worthiness of the borrower
- Each credit proposal will be prepared in an appropriate appraisal format and placed before the appropriate sanctioning authority for approval
- De-duplication (“De-dupe”) checks must be carried out as a best practice to check if the Borrower (or any of its connected parties) is/are already having any relationship or had any relationship with Capital India, (in which case the account conduct during the relationship must be checked). Additionally, if the Borrower (or any of its connected parties) were rejected / denied credit facility by Capital India in the past, the reasons thereof and justifications to do the case now should be furnished as part of the credit proposal.
- Appropriate checks with various negative lists should be performed (RBI defaulters’ list, Negative list, etc.) prior to on-boarding and any matches should be highlighted to the approval authorities at the time of approval.
- Appropriate bureau checks/CRILC check should be performed and any adverse repayment history should be enquired upon with justifications obtained from the customer should be furnished as part of the credit proposal.
- Any adverse credit information received regarding the customer should be immediately highlighted to the approval authorities and necessary actions should be initiated
- All regulatory/statutory provisions need to be adhered/complied before sanctioning any proposal.
- Collateral assessment, more predominantly property under consideration, should be carried out as per respective product norms and deviations if any with mitigants to be highlighted as part of credit proposal.

Our Competitive Strengths

- **Proven track record of Management Team with relevant domain expertise**

We have management professionals with combined experience of several decades on the wholesale and retail lending side. The team has exposure of whole sale lending to various sectors, having seen credit cycles, ability to understand various intricacies of structured lending and real estate lending. Our team members have been part of reputed Banks and NBFCs in past.

- **Diversified product offerings presenting significant growth opportunities**

We will be an integrated financial services platform, where the product suite would include the whole sale lending products encompassing multiple sectors. We will also have a strong retail loans presence through our home loans offerings through our wholly owned subsidiary subject to receiving approval from the requisite authority. We would also explore the opportunity of tapping the medium enterprise in the SME space for offering asset backed mortgage loans. Our lending philosophy on the offerings would be assets and cash flows backed.

- **Deep market knowledge with strong relationships**

By virtue of our seasoned management team, the company has deep insights in the segments that it intends to build loans portfolios. Specifically in the real estate by virtue of senior management experience, the platform will have advantage of very deep rooted relationships, with developers in the industry. These relationships will also help the subsidiary build on the home loans portfolio through ready accesses to the good residential projects through these relationships and tie ups.

Business Strategies

Our primary business strategies are as follows:

- **Leverage our Entrepreneurial energy and Relationship**

We continue to establish knowledge partnerships with acquired customers to further strengthen our existing relationships, harness value and augment our market penetration. Client-first approach with ‘bespoke’ solutions will be a key driver in our business strategy. We intend to leverage our relationships to expand Wholesale and Housing Finance and grow structure finance portfolio without taking excessive risks.

- **Acquire and Strengthen Customer base while maintaining stable growth and quality of portfolio**

We plan to focus on the sectors that are economically robust especially in two geographies, namely Mumbai MMR and Delhi NCR and later also have presence in major cities such as Bangalore and Pune, while maintaining a relatively lower risk profile. We also continue to establish knowledge partnerships with the acquired customers to further strengthen our existing relationships, and also to increase our local market knowledge. With our extensive operational experience and diversified portfolio of financing products we will assist our corporate clients to manage their cash flows better. Our distribution strategy would be to expand our network of sourcing referral intermediaries. We intend to maintain an optimal balance between growth, quality of portfolio and profitability to ensure greater penetration in existing markets and expansion into proposed new geographies.

- **Robust corporate governance standards and transparent operations leading to institutional confidence and customer goodwill**

We believe that our corporate governance standards and commitment to transparent operations will enable us to strengthen our relationship with our target customer segments. We will leverage our customer relationships and goodwill to expand our product portfolio. We believe that our operational procedures will enable us to minimize risks and establish customer goodwill.

- **Standardized operating procedures and efficient use of technology resulting in effective risk management and improved efficiencies**

We are implementing standardized operating procedures (SOP) that will enable us to develop a scalable and replicable business model across our various financing product portfolios. Our business operations involve a small number of large transactions on the wholesale lending side, whereas large number of small transactions on the retail home loans side (through our wholly owned subsidiary), across the geographies where we intend to operate. We will implement standardized operating procedures for customer acquisition, customer engagement, account management and collection. We will provide training to our employees to ensure they are able to effectively engage with our customers about our operations and the terms of the financing.

Risk Management

Risk management forms an integral part of our business. As an NBFC, we are exposed to various risks related to our lending business and operating environment. Our objective is to evaluate and monitor various risks that we are subject to and follow stringent policies and procedures to address these risks. Our Risk Management Committee would assist the Board in addressing various risks and discharging duties relating to corporate accountability. A documented, systematic assessment of processes and outcomes surrounding key risks including internal control will be undertaken

from time to time. The Risk Management Committee will review the effectiveness of risk management systems in place and ensure that they are effectively managed. The Risk Management Committee also will provide an independent and objective oversight of information on corporate accountability and risks, and consider reports of the Audit Committee on all categories of identified risks.

Risk Management Architecture

The major risks we face in our businesses are credit risk, concentration risks, interest rate risk, operational risk, liquidity risk and asset risk.

- ***Credit Risk***
- ***Concentration Risk***
- ***Interest Rate Risk***
- ***Operational Risk***
- ***Liquidity Risk***
- ***Collateral Risk***
- ***Reputation Risk***

Control operating costs and improve operational efficiencies

Controlling our operating expenses is critical in determining our ability to offer loan products at reasonable rates to our customers and our profitability. We will continuously identify and implement measures that we believe will enable us to control our operating expenses. We will constantly invest in our technology platform and technology-enabled operating procedures to increase operational and management efficiencies and ensure strong customer credit quality. For retail consumer / home loans we intend to implement mobile based applications to make the loan application process convenient to our customers and streamline credit approval, administration and monitoring processes. In particular, over time we intend to fully automate front end processes in our businesses, aimed at decreasing operating expenses, increasing employee efficiencies and streamlining employee costs, as well as reduce document storage and transportation costs. We believe that implementing robust technology infrastructure will enable us to respond to market opportunities and challenges swiftly, improve the quality of services, and improve our risk management capabilities.

Housing Finance Business

Our housing finance business will be conducted through our wholly owned subsidiary CIHLL (Capital India Home Loans Limited) which is in process of filing application with the National Housing Bank for permission to commence housing finance activity. Our housing finance business will offer home loans and mortgage products to retail customers within specified limits permitted by the National Housing Bank.

HUMAN RESOURCE

We provide an employee friendly environment where employees are empowered and given an opportunity to demonstrate their talent, that eventually boost their career growth in the Company. The table stated below provides details of the employees of our Company (Excluding the employees on contractual basis) as on December 31, 2017:

Category of employees	Managerial	Staff	Workers	Total
Employees on the payroll of the Company	7	8	0	15
Sub-Total (a)	7	8	0	15
Employees of Subsidiary Companies	0	0	0	0
Sub Total (b)	0	0	0	0
Total	7	8	0	15

Competition

Our competitors in the lending business include established scheduled commercial banks, NBFCs, small finance banks and other financial institutions that offer similar financing products and services. Some of the public, private sector, and foreign banks have subsidiaries and affiliates operating as NBFCs with significant market share, distribution reach and product portfolio, and we also compete with them for our lending business.

The RBI has liberalised the licensing regime for banks in India and intends to issue licenses on an ongoing basis, subject to meeting the criteria laid down by RBI. The RBI is supportive of creating more specialized banks and granting differentiated banking licenses such as for payment banks and small finance banks. The RBI also has plans to create wholesale and long-term finance banks in the near future. In November 2014, the RBI released guidelines for licensing of payment banks and for licensing of small finance banks in the private sector. On August 19, 2015 the RBI granted in-principle approval to 11 applicants to set up payment banks. In September 2015, the RBI granted in-principle licenses to 10 applicants for small finance banks. The RBI has also released guidelines with respect to a continuous licensing policy for universal banks in August 2016. Liberalisation of the Indian financial services sector could also lead to a greater presence or new entries of Indian and foreign banks, NBFCs and other entities operating in the financial services sector offering a wider range of products and services.

Intellectual Property

Our trademarks and logo are not owned by us and are owned by our promoter entity “Capital India Corp LLP” who has applied for registration of same. Capital India Corp LLP has given No-Objection dated July 26, 2017 for the use of the logo and trademark.

Property

Our registered office and corporate headquarters are located in New Delhi and Mumbai respectively, which are leased premises. We do not have any other offices at any other city / place, leased or owned. The details of property taken on lease / rent by us is given below:

Sr. No	Document/s Executed and Date	Name of the Owner/ Lesser	Activity & Details of Property	Expiry of Lease period	Lease Rent Per Month Amount (Rs.)
1	Lease Deed dated December 21, 2017	DLF limited	Registered Office	March 11, 2021	Rs. 435 per square foot
2	Lease Deed dated November 09, 2017	Raghuleela Builders Private Limited	Corporate Office	November 08, 2020	Rs 265 per square foot amounting to Rs. 26,60,070/- per month

KEY INDUSTRY REGULATIONS AND POLICIES

The regulations summarised below are not exhaustive and are only intended to provide general information to Investors and are neither designed nor intended to be a substitute for any professional legal advice. Taxation statutes such as the IT Act, Goods and Services Tax Act, 2017, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Provisions Act, 1952, and other miscellaneous regulations such as the Trade Marks Act, 1999 apply to us as they do to any other Indian company and therefore have not been detailed below.

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of the Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

The Company is registered with the RBI as a non-deposit taking non-banking finance company. Set out below are the significant regulations which affect our operations.

NBFC Regulations

The RBI Act

The RBI is entrusted with the responsibility of regulating and supervising the activities of NBFCs by virtue of the powers vested on it pursuant to Chapter III B of the RBI Act. A NBFC under the RBI Act is defined as a financial institution which is a company or a non-banking institution which is a company and which has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner or such other non-banking institution or class of such institutions as the RBI may, with the previous approval of the Central Government and by notification in the Official Gazette, specify. According to the RBI Act, a financial institution has been defined as a non-banking institution carrying on as its business or part of its business, amongst other activities, the financing, whether by way of making loans or advances or otherwise, of any activity, other than its own.

Any company which carries on the business of a non-banking financial institution as its principal business is to be treated as a NBFC. The RBI has clarified that in order to identify a particular company as a NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide its principal business. The company will be treated as a NBFC if (a) its financial assets are more than 50% of its total assets (netted off by intangible assets); and (b) income from financial assets shall be more than 50% of the gross income. Both these tests are required to be satisfied as the determinant factor for principal business of a company.

The RBI Act mandates that no NBFC shall commence or carry on the business of a non-banking financial institution without obtaining a certificate of registration. Such a NBFC must also have a net owned fund of Rs.2,00,00,000 (Rupees two crores only).

NBFCs are primarily governed by inter-alia the RBI Act, the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998, the Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 ("Prudential Norms"), the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and the provisions of the Non- Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

Under Section 45 – IC of the RBI Act, every NBFC must create a reserve fund and transfer thereto a sum not less than 20% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. Such a fund is to be created by every NBFC irrespective of whether it is a NBFC-ND or not. Further, no appropriation can be made from the fund for any purpose by the NBFC except for the purposes specified by the RBI from time to time and

every such appropriation shall be reported to the RBI within 21 (Twenty One) days from the date of such appropriation.

Types of activities that NBFCs are permitted to carry out

Although by definition, NBFCs are permitted to operate in similar sphere of activities as banks, there are a few important differences which are:

- (a) NBFCs cannot accept deposits repayable on demand;
 - (b) NBFCs are not permitted to issue negotiable instruments, such as cheques drawn on itself; and
- I deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositors of NBFCs, unlike in case of banks.

Types of NBFCs

NBFCs are categorized (a) in terms of types of liabilities into deposit NBFCs and NBFCs-Non Deposit holding (NBFC-ND), (b) NBFCs-ND by their size into systemically important and other non-deposit holding companies and (c) by the kind of activity they conduct. Within this broad categorization the different types of NBFCs are (a) asset finance companies, (b) investment companies, (c) loan companies, (d) infrastructure finance companies, (e) systemically important core investment companies, (f) infrastructure debt fund, (g) NB-C - micro finance institutions, (h) NBFC – factors, (i) mortgage guarantee companies, and (j) NB-C - Non-Operative Financial Holding Company.

Prudential Norms

The Prudential Norms, amongst other requirements prescribe guidelines on NBFCs-ND regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit or investments and norms relating to infrastructure loans.

Income Recognition norms

- (1) The income recognition shall be based on recognised accounting principles.
- (2) Income including interest/ discount/ hire charges/ lease rentals or any other charges on NPA shall be recognised only when it is actually realised. Any such income recognised before the asset became non-performing and remaining unrealised shall be reversed.

Income from investments

- (1) Income from dividend on shares of corporate bodies and units of mutual funds shall be taken into account on cash basis:

Provided that the income from dividend on shares of corporate bodies may be taken into account on accrual basis when such dividend has been declared by the corporate body in its annual general meeting and the non-banking financial company's right to receive payment is established.

- (2) Income from bonds and debentures of corporate bodies and from Government securities/bonds may be taken into account on accrual basis:

Provided that the interest rate on these instruments is pre-determined and interest is serviced regularly and is not in arrears.

- (3) Income on securities of corporate bodies or public sector undertakings, the payment of interest and repayment of principal of which have been guaranteed by Central Government or a State Government may be taken into account on accrual basis.

Asset Classification

The Prudential Norms require that every NBFC-ND shall, classify its lease/hire purchase assets, loans and advances and any other forms of credit into (a) standard assets, (b) sub-standard assets, (c) doubtful assets and (d) loss assets after taking into account the degree of well defined credit weaknesses and extent of dependence on collateral security for realisation. A class of assets is not entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions. At present, every NBFC is required to make a provision for standard assets at 0.25% of the outstanding.

Provisioning Requirements

A NBFC-ND shall make provisions against standard assets, sub-standard assets, doubtful assets and loss assets in the manner provided for in the Prudential Norms after taking into account the time lag between an account becoming non performing, its recognition, the realization of the security and erosion overtime in the value of the security charged.

In the interests of counter cyclicalities and so as to ensure that NBFCs create a financial buffer to protect them from the effect of economic downturns, RBI vide their circular no. DNBS.PD.CC. No.207/ 03.02.002 /2010-11 dated January 17, 2011, introduced provisioning for Standard Assets by all NBFCs. NBFCs are required to make a general provision at 0.25% of the outstanding standard assets. The provisions on standard assets are not reckoned for arriving at net NPAs. The provisions towards Standard Assets are not needed to be netted from gross advances but shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet. NBFCs are allowed to include the 'General Provisions on Standard Assets' in Tier II capital which together with other 'general provisions/ loss reserves' will be admitted as Tier II capital only up to a maximum of 1.25% of the total risk-weighted assets.

Verification of Ownership

The RBI, vide notification dated January 8, 2014 has amended the Prudential Norms to direct all NBFCs to put in place an explicit policy approved by their board of directors within their overall loan policy to verify ownership through a suitable document which is prepared to explain the manner in which ownership is determined.

Norms for excessive interest rates

In addition, the RBI has introduced vide a circular bearing reference number RBI/ 2006-07/ 414 DNBS.PD/ CC.No. 95 /03.05.002 /2006-07 dated May 24, 2007 whereby RBI has requested all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the RBI has issued a Master Circular on Fair Practices Code dated July 1, 2015 read with the above mentioned circular for regulating the rates of interest charged by the NBFCs. These circulars stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. Further, this is also required to be made available on the NBFCs website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualised rate so that the borrower is aware of the exact rates that would be charged to the account.

Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 (“NBFC-NSI-ND Master Direction”)

The NBFC-NSI-ND Master Direction is applicable to every NBFC not accepting/holding public deposits and not having an asset size of ₹ 500 crores and above as per the last audited balance sheet. In terms of the NBFC-NSI-ND Master Direction, every NBFC qualifying the test prescribed therein is required to comply with inter alia principles directed by the NBFC-NSI-ND Master Direction.

Master Direction – Non-Banking Financial Companies Auditor’s Report (Reserve Bank) Directions, 2016 dated September 29, 2016

In addition to the report made by the auditor under Section 143 of the Companies Act, 2013 on the accounts of the Company, the auditor shall make a separate report to the Board of Directors of the company which shall include *inter alia* on examination of validity of certificate of registration obtained from the RBI, whether the NBFC is entitled to continue to hold such certificate of registration in terms of its Principal Business Criteria (financial asset / income pattern) as on March 31 of the applicable year, whether the NBFC is meeting the required net owned fund requirement, whether the board of directors has passed a resolution for non-acceptance of public deposits, whether the company has accepted any public deposits during the applicable year, whether the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it, whether the capital adequacy ratio as disclosed in the return submitted to the Bank in form NBS- 7, has been correctly arrived at and whether such ratio is in compliance with the minimum CRAR prescribed by the Bank, whether the company has furnished to the Bank the annual statement of capital funds, risk assets/exposures and risk asset ratio (NBS-7) within the stipulated period, and whether the non-banking financial company has been correctly classified as NBFC Micro Finance Institutions (MFI).

Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016, dated September 29, 2016

All NBFCs are required to put in place a reporting system for filing various returns with the RBI.

Reserve Bank of India (Know Your Customer (KYC) Directions, 2016 (“RBI KYC Directions”), dated February 25, 2016

The RBI KYC Directions are applicable to every entity regulated by the RBI, specifically, scheduled commercial banks, regional rural banks, local area banks, primary (urban) co-operative banks, state and central co-operative banks, all India financial institutions, NBFCs, miscellaneous non-banking companies and residuary non-banking companies, amongst others. In terms of the RBI KYC Directions, every entity regulated thereunder is required to formulate a KYC policy which is duly approved by the board of directors of such entity or a duly constituted committee thereof. The KYC policy formulated in terms of the RBI KYC Directions is required to include four key elements, being customer acceptance policy, risk management, customer identification procedures and monitoring of transactions. It is advised that all NBFC’S adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place. The RBI KYC Directions provide for a simplified procedure for opening accounts by NBFCs. It also provides for an enhanced and simplified due diligence procedure. It has prescribed detailed instructions in relation to, inter alia, the due diligence of customers, record management, and reporting requirements to Financial Intelligence Unit – India. The RBI KYC Directions have also issued instructions on sharing of information while ensuring secrecy and confidentiality of information held by Banks and NBFCs. The regulated entities must also adhere to the reporting requirements under Foreign Account Tax Compliance Act (“FATCA”) and Common Reporting Standards (“CRS”). The RBI KYC Directions also require the regulated entities to ensure compliance with the requirements/obligations under international agreements. The regulated entities must also pay adequate attention to any money-laundering and financing of terrorism threats that may arise from new or developing technologies, and ensure that appropriate KYC procedures issued from time to time are duly applied before introducing new products/services/technologies.

Master Circular dated July 1, 2015 on returns to be submitted by NBFCs

The circular lists down detailed instructions in relation to submission of returns, including their periodicity, reporting time, due date, purpose and the requirement of filing such returns by various categories of NBFCs.

Fair Practices Code

The RBI has prescribed broad guidelines towards a fair practices code in relation to internal principles and procedures in determining interest rates and an NBFC’s conduct with its borrowers which are consolidated under the Master Circular - Fair Practices Code dated July 1, 2015 which requires that the fair practices code of each NBFC be published and disseminated on its website. Among others, the code prescribes the following requirements to be adhered to by NBFCs:

- a. including of necessary information affecting the interests of the borrower in the loan application form;
- b. devising a mechanism to acknowledge receipt of loan applications and establishing a time frame within which such loan applications are to be dealt with;
- c. Conveying in writing to the borrower the terms of the loan sanctioned. The acceptance of such terms shall be kept on record by the NBFC;
- d. giving notice to the borrower of any change in the terms and conditions and ensuring that changes are effected prospectively;
- e. refraining from interfering in the affairs of the borrowers except for the purposes provided in the terms and conditions of the loan agreement;
- f. not resorting to undue harassment in the matter of recovery of loans, and an appropriate grievance redressal mechanism for resolving disputes in this regard is to be established;
- g. reviewing periodically the compliance of the fair practices code and the functioning of the grievances redressal mechanism at various levels of management, a consolidated report whereof may be submitted to the board of directors; and
- h. Adopting an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium. Further, the rate of interest has to be an annualised rate so that the borrower is aware of the exact rates charged to.

Asset Liability Management

The RBI has prescribed the Guidelines for Asset Liability Management (“**ALM**”) System in relation to NBFCs (“**ALM Guidelines**”) that are applicable to all NBFCs through a Master Circular on Miscellaneous Instructions to all Non-Banking Financial Companies dated July 1, 2013. According to the above Master Circular, the NBFCs (engaged in and classified as equipment leasing, hire purchase finance, loan, investment and residuary non-banking companies) meeting the criteria of asset base of ₹ 10,000 lakhs (whether accepting or holding public deposits or not) or holding public deposits of ₹ 2,000 lakhs or more (irrespective of their asset size) according to their audited balance sheet as of March 31, 2001 will be required to put in place the ALM system. The ALM system rests on the functioning of ALM information systems within the NBFC, ALM organization including an asset liability committee and ALM support groups, and the ALM process includes liquidity risk management, management of marketing risk, funding and capital planning, profit planning and growth projection, and forecasting/ preparation of contingency plans. It has been provided that the management committee of the board of directors or any other specific committee constituted by the board of directors shall oversee the implementation of the system and review its functioning periodically.

Anti Money Laundering

The RBI has issued a Master Circular dated July 1, 2015 to ensure that a proper policy frame work for the Prevention of Money Laundering Act, 2002 (“**PMLA**”) is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from, or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies, financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record (i) for all cash transactions of value of more than ₹10 lakhs; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹10 lakhs where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹10 lakhs. Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least ten years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least ten years after the business relationship is ended. The identification records and transaction data are to be made available to the competent authorities upon request.

RBI Notification dated December 3, 2015 titled “Anti-Money Laundering (AML)/ Combating of Financing of Terrorism (CFT) – Standards” states that all regulated entities (including NBFCs) are to comply with the updated FATF Public Statement and document ‘Improving Global AML/CFT Compliance: on-going process’ as on October 23, 2015.

Foreign Investment Regulations

Foreign direct investment (including foreign institutional investment, investments by non-resident Indians, persons of Indian origin and overseas corporate bodies) (“**FDI**”) in an Indian company is governed by the provisions of the Foreign Exchange Management Act, 1999 (“**FEMA**”) read with the Consolidated Foreign Direct Investment Policy effective from August 28, 2017 (“**FDI Policy**”) issued by the Department of Industrial Promotion and Policy, Ministry of Commerce, Government of India (“**DIPP**”). FDI is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which FDI is sought to be made. Under the automatic route, no prior Government approval is required. Investors are required to file the required documentation with the RBI within 30 days of such issue/acquisition of securities. However, if the foreign investor has any previous joint venture/tie-up or a technology transfer/trademark agreement in the “same field” in India, prior approval from the FIPB is required even if that activity falls under the automatic route, except as otherwise provided.

As per the sector specific guidelines of the Government of India, the following are the relevant norms applicable for FDI in NBFCs:

FDI investments up to 100% of the paid-up share capital of the Financial Services companies regulated by financial sector regulators, viz., RBI, SEBI, IRDA, PFRDA, NHB or any other financial sector regulator as maybe notified by the Government of India is allowed under the automatic route.

Insolvency and Bankruptcy Code

With the introduction of the Insolvency and Bankruptcy Code, 2016, India now has a new legal regime that primarily enables timebound restructuring and bankruptcy of debtors. The Code envisages timely resolution of debts and provides an alternative and faster mode of debt recovery.

Intellectual property regulations

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

Employment related laws Shops and Establishments legislations in various states

The provisions of various shops and establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Labour Laws

The Company is required to comply with various labour laws, including the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Payment of Wages Act, 1936, the Payment of Gratuity Act, 1972 and the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally incorporated as Bhilwara Tex-Fin Limited under the Indian Companies Act, 1956 with the Registrar of Companies, Jaipur, Rajasthan, on November 16, 1994. It received a Certificate for Commencement of Business on November 22, 1994. Our Registered office was changed from the state of Rajasthan to New Delhi on August 25, 2004. The name of our Company was changed to Capital India Finance Limited and fresh Certificate of Incorporation dated August 16, 2017 was issued by the Registrar of Companies, Delhi. The name “Bhilwara Tex-Fin Limited” conveyed to stakeholders that the Company was engaged in the business of textiles, however our Company is a registered NBFC and is carrying on the business of NBFC Company. Therefore, with an intention to convey the actual business of our Company and to expand the business in whole of the India, the name was changed to “Capital India Finance Limited”.

Our Registered Office of the Company has been shifted in December 2017 from 129, Transport Centre, Rohtak Road, Punjabi Bagh New Delhi 110 035 to its current premises at 2nd Floor, DLF Centre, New Delhi-110001. The Corporate Identification Number of our Company is L74899DL1994PLC128577.

Our Company is registered with the RBI as a NBFC without accepting public deposits under section 45 IA of the RBI Act, 1934. The Registration Number as NBFC is B-14.03278 issued by RBI at New Delhi vide its certificate dated August 30, 2017. We were also issued certificate of registration dated June 06, 2013 in our earlier name Bhilwara Tex-Fin Limited.

Recently, in December 2017, our Company has been acquired by the present promoter - M/s Capital India Corp LLP (formerly known as M/s. Trident Holding LLP) pursuant to an Open Offer made under Regulations 3(1) and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 which opened on November 17, 2017 and closed on November 30, 2017. The settlement date was December 08, 2017. Post Open Offer shareholding of M/s Capital India Corp LLP is 63.73% of total equity share capital of the Company.

The Equity Shares of our Company are presently listed on BSE. Our company came out with Initial Public Offer of equity shares aggregating to Rs. 245 Lakhs in 1995.

Major events in the history of Our Company since inception

Year	Key events, milestones and achievements
1994	Incorporated as Bhilwara Tex-Fin Limited, a Public Limited Company under the Companies Act, 1956 and received a Certificate for Commencement of Business.
1995	Public issue & Listing of Equity shares on BSE.
2005	Open Offer by. Sainik Mining and Allied Services Limited under Regulation 10 read with Regulation 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 to the shareholders of the M/s. Bhilwara Tex-Fin Limited and became Promoter of the Company.
2017	Change of Name of the Company from M/s. Bhilwara Tex-Fin Limited to M/s. Capital India Finance Limited.
2017	Company's Management taken over by M/s Capital India Corp LLP (Formerly Trident Holding LLP) through Open Offer under Regulations 3(1) and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to the shareholders of the M/s. Capital India Finance Limited and became Promoter of the Company.

Memorandum of Association of Our Company

The main objects contained in the Memorandum of Association are as follows:

1. To provide financial services of all kinds, including fund based financial services like textile industrial leasing, hire purchase, bridge finance, venture capital funding, housing finance, mutual funds (domestic and offshore) factoring (export and domestic) and short and long-term investment, corporate financing of all kinds and to provide non-fund based financial services like Project Planning, Investment Planning, Estate Planning, Tax Planning, Tax Planning consultancy, Counseling Services and facilities of every description capable of being provided by an investment and fund Manager to promote formation and mobilization of capital, identification and transfer of technology, new financial instruments, share-registration, correspondent banking, underwriting, portfolio management of all type including funds of non-resident Indians (NRIS), subject to rules prescribed in SEBI Act. Credit information and Risk evaluation, issue Market Managers, syndication of leases (for lessors and lessees), and loans, dealing in forex and inter-bank broking in forex subject to approvals of RBI, stock broking, dealing in treasury products, credit card and maintenance of data bases using computers networking on national grid and to provide a package of investment/merchant banking services either individually or in collaboration with merchant banking institutions in India and abroad by acting as managers, underwriters issue houses and brokers to any public/rights issue of securities, to carry on the business of on investment company or an Investment Trust Company to undertake and transact Trust and Agency Investment, to and for that purpose to lend or invest money and negotiable loans in any form or manner, to draw accept, endorse, discount, buy, sell and deal in bill of exchange, hundies, promissory notes and any other negotiable instruments and securities form, promote subsidies and assist companies syndicates and partnerships and to undertake any business, transaction or operation commonly carried on or undertaken by capitalists, promoters, financiers and underwriters, provide "Acceptance House" and "Conforming House" services.
2. To carry on business, profession or vocation of acting as consultants, advisors for all matters and problems arising out of, relating to or touching upon the field of finance, local or international investment, real estate, foreign exchange, taxation, law, import, export, administration organization, management, staff selection, techno-economics, costing, commencement and expansion of trade, commerce and industries, purchasing techniques, production, storage, purchases, sales, marketing, distribution, advertising, publicity, material and cost control and rendering of services to individuals, firms, bodies corporate, institutions concerns and associations."

Amendments to the Memorandum of Association

Set out below are the amendments to the Memorandum of Association since the incorporation of our Company:

Date of Shareholders' Resolution*	Particulars
November 23, 1994	Clause V of the Memorandum of Association was amended to reflect the increase in authorized share capital from Rs. 5,00,000/- divided into 50,000 equity shares of Rs.10/- each to Rs. 4,00,00,000/- divided into 40,00,000 equity shares of Rs. 10/- each.
November 27, 2003	Clause II of the Memorandum of Association was amended to reflect the sifting of Registered office of Company from the state of Rajasthan to the NCT of Delhi.
August 09, 2017	Clause I of the Memorandum of Association was amended to reflect the new name of our Company from "BHILWARA TEX-FIN LIMITED" to "CAPITAL INDIA FINANCE LIMITED"

**The Board of Directors of our Company pursuant to their meeting dated December 20, 2017, approved increase of the authorized share capital of our Company from Rs. 4,00,00,000 divided into 40,00,000 Equity Shares of face value of Rs.10/-each, to Rs.2,14,00,00,000/- (Rupees Two Hundred Fourteen Crores Only) divided into 20,40,00,000 (Twenty Crores Forty Lakhs) Equity Shares of face value of Rs. 10/- aggregating to Rs.204,00,00,000 (Rupees Two Hundred and Four Crores Only) and 1,00,00,000 (One Crore Only) preference shares of Rs. 10/- each aggregating to Rs. 10,00,00,000 (Rupees Ten Crores Only), subject to approval of the Shareholders through Postal Ballot. The Postal Ballot notices have been sent to shareholders in this respect on December 28, 2017.*

Number of Shareholders

As on date of this Draft letter of Offer, there are 492 shareholders in the Company.

Capital raising (Equity/ Debt)

Our equity issuances in the past and outstanding indebtedness have been provided in “*Capital Structure*” and “*Financial Indebtedness*” on pages 37 and 166, respectively.

Holding Company

Our Company does not have any holding company. Although, the majority of shares i.e 22,32,300 (63.73%) are held by our Promoter - M/s Capital India Corp LLP, (formerly M/s. Trident Holding LLP) a Limited Liability Partnership incorporated under the Limited Liability Partnership Act, 2008.

Subsidiary Companies/Group Companies

We have 5 (Five) Subsidiary Companies, namely (1) Capital India Home Loans Limited, (2) Capital India Wealth Management Private Limited, (3) Capital India Asset Management Private Limited, (4) CIFL Investment Manager Private Limited, and (5) CIFL Holdings Private Limited. The brief summary of the said companies is as under:

1. Capital India Home Loans Limited

Capital India Home Loans Limited was incorporated on August 11, 2017 as a public limited company under the Companies Act, 2013 with the Registrar of Companies, Delhi. The registered office of the company is situated at 2nd Floor DLF centre, Sansad Marg, New Delhi-110001. The CIN of the company is U65990DL2017PLC322041. The main object of the company is to carry on the business of housing finance. The equity shares of the company are not listed on any stock exchange.

Board of Directors

- Mr. Keshav Porwal
- Mr. Vineet Kumar Saxena
- Mr. Amit Sahai Kulshreshtha

Shareholding Pattern

Name	No. of equity shares of face value of Rs. 10/- each	% of Shareholding
Capital India Finance Limited	1,49,99,994	100%
Keshav Porwal*	1	0%
Amit Sahai Kulshreshtha*	1	0%
Poonam Narvar*	1	0%
Sumit Kumar Narvar*	1	0%
Vineet Kumar Saxena*	1	0%
Subodh Kumar *	1	0%
Total	1,50,00,000	100%

(*) As a nominee of Capital India Finance Limited.

Financial performance

As the company incorporated in August 2017, the first financial year will be closed on ensuing financial year ended March 31, 2018. Hence, financial results of the Company are not available.

2. Capital India Wealth Management Private Limited

Capital India Wealth Management Private Limited was incorporated on August 29, 2017 as a private limited company under the Companies Act, 2013 with the Registrar of Companies, Delhi. The registered office of the company is situated at 2nd Floor DLF centre, Sansad Marg, New Delhi-110001. The CIN of the company is U65999DL2017PTC322881. The main objects of the company is to provide all kinds of corporate advisory services in the areas of wealth management, portfolio management, financial planning, asset allocation, risk profiling, research based cash budgeting, estate / will planning and Taxation Issue. The equity shares of the company are not listed on any stock exchange.

Board of Directors

- Mr. Keshav Porwal
- Mr. Amit Sahai Kulshreshtha

Shareholding Pattern

Name	No. of equity shares of face value of Rs. 10/- each	% of Shareholding
Capital India Finance Limited	9,999	99.99%
Keshav Porwal	1	0.01%
Total	10,000	100%

Financial performance

As the company was incorporated in August 2017, the first financial year will be closed on ensuing financial year ended March 31, 2018. Hence, financial results of the Company are not available.

3. CIFL Holdings Private Limited

CIFL Holdings Private Limited was incorporated on September 18, 2017 as a private limited company under the Companies Act, 2013 with the Registrar of Companies, Delhi. The registered office of the company is situated at 2nd Floor DLF centre, Sansad Marg, New Delhi-110001. The CIN of the company is U65990DL2017PTC323832. The main objects of the company is to carry on the business of holding and investment company and to buy, underwrite and to invest in and acquire and hold shares, stocks debentures etc. The equity shares of the company are not listed on any stock exchange.

Board of Directors

- Mr. Keshav Porwal
- Mr. Amit Sahai Kulshreshtha

Shareholding Pattern

Name	No. of equity shares of face value of Rs. 10/- each	% of Shareholding
Capital India Finance Limited	9,999	99.99%
Keshav Porwal	1	0.01%
Total	10,000	100%

Financial performance

As the company was incorporated in September 2017, the first financial year will be closed on ensuing financial year ended March 31, 2018. Hence, financial results of the Company are not available.

4. CIFL Investment Manager Private Limited

CIFL Investment Manager Private Limited was incorporated on September 14, 2017 as a private limited company under the Companies Act, 2013 with the Registrar of Companies, Delhi. The registered office of the company is situated at 2nd Floor DLF centre, Sansad Marg, New Delhi-110001. The CIN of the company is U65929DL2017PTC323719. The main objects of the company is to do the business of providing business advisory services on all areas of finance management including but not limited to advisory services on strategic management, acquisitions, mergers, divestments, capital raisings by identifying capital needs, timing and

identification of potential equity partners, management buy-outs, management buy-ins, debt restructuring and the like. The equity shares of the company are not listed on any stock exchange.

Board of Directors

- Mr. Keshav Porwal
- Mr. Amit Sahai Kulshreshtha

Shareholding Pattern

Name	No. of equity shares of face value of Rs. 10/- each	% of Shareholding
Capital India Finance Limited	9,999	99.99%
Keshav Porwal	1	0.01%
Total	10,000	100%

Financial performance

As the company was incorporated in September 2017, the first financial year will be closed on ensuing financial year ended March 31, 2018. Hence, financial results of the Company are not available.

5. Capital India Asset Management Private Limited

Capital India Asset Management Private Limited was incorporated on September 12, 2017 as a private limited company under the Companies Act, 2013 with the Registrar of Companies, Delhi. The registered office of the company is situated at 2nd Floor DLF centre, Sansad Marg, New Delhi-110001. The CIN of the company is U65999DL2017PTC323549. The main objects of the company is to promote, establish, manage, organise, handle, operate or float an asset management company to manage all types and kinds of assets of Mutual Funds in India or abroad in all its branches whether open ended or close ended or other schemes as may be approved by the Securities and Exchange Board of India or other authorities from time to time under the prevailing laws, rules, regulations and guidelines. The equity shares of the company are not listed on any stock exchange.

Board of Directors

- Mr. Keshav Porwal
- Mr. Amit Sahai Kulshreshtha

Shareholding Pattern

Name	No. of equity shares of face value of Rs. 10/- each	% of Shareholding
Capital India Finance Limited	9,999	99.99%
Keshav Porwal	1	0.01%
Total	10,000	100%

Financial performance

As the company was incorporated in September 2017, the first financial year will be closed on ensuing financial year ended March 31, 2018. Hence, financial results of the Company are not available.

Other details regarding our Company

Strikes, lock-outs, injunctions, and restraining orders

There have been no lock-outs or strikes at any time in our Company and our Company is not operating under any injunction or restraining order.

Defaults or rescheduling of borrowings with financial institutions / banks and conversion of loans into equity

There have been no defaults or rescheduling of borrowings with financial institutions / banks in respect of our current borrowings from lenders. None of our outstanding loans have been converted into Equity Shares.

Changes in the activities of our Company during the last five years

There has been no change in the activities of our Company during the last five years which may have had a material effect on the profit / loss account of our Company, including discontinuance of a line of business, loss of agencies or markets and similar factors.

Shareholders Agreement

Our Company has not entered into any shareholders agreements.

Non-Compete Agreement

Our Company has not entered into any non-compete agreement.

Joint Venture

As on date of filing of this Draft letter of Offer, we do not have any Joint Ventures.

Strategic Partners

As on date of filing of this Draft letter of Offer, we do not have any Strategic Partners.

Financial Partners

As on date of filing of this Draft letter of Offer, we do not have any Financial Partners.

Except as above and “Material Contracts and Documents for Inspection” mentioned on page 257 of the Draft Letter of Offer, there are no other material agreements or contracts, which have been entered into by us within a period of 2 years prior to the Draft Letter of Offer

OUR MANAGEMENT

Our Company functions under the Control of Board of Directors. The day-to-day affairs of our Company are looked after by qualified key personnel under the supervision of Managing Director. Presently we have 9 Directors on our Board. The constitution of the Board is as under:

Sr. No	Name, Father's Name, Designation, Address, Occupation, Date of Appointment, Tenure and DIN	Age (in years)	Nationality	Directorship / Partnership in other entities (including foreign companies)
1.	Mr. Vinod Somani Chairman & Independent Director S/o Kishan Gopal Somani Address: 163, Tagore Garden, Delhi – 110 009 Occupation: Professional DIN: 00327231 Date of Appointment: December 20, 2017 Term: Next Annual General Meeting	64	Indian	• NTB International Private Limited • K.G. Somani Management Consultant Private Limited • K.G. Somani Insolvency Professionals Private Limited
2.	Mr. Achal Kumar Gupta Independent Director S/o Om Parkash Gupta Address: B-012, Gulshan Vivante, Sector 137, Noida - 201301 Occupation: Professional DIN: 02192183 Date of Appointment: December 20, 2017 Term: Next Annual General Meeting	64	Indian	• The South Indian Bank Limited • Canara Robeco Asset Management Company Limited
3.	Ms. Promila Bhardwaj Independent Director S/o Purshottam Dutt Vasishtha Address: 702 Tower 12, South Close, Nirvana Country, Sector -50, South City II, Gurgaon – 122 018 Occupation: Professional DIN: 06428534 Date of Appointment: December 20, 2017 Term: Next Annual General Meeting	63	Indian	• Maruti Clean Coal and Power Limited • Sindhu Tradelinks Limited • Spectrum Coal and Power Limited • ACB (India) Power Limited • Apex Home Finance Limited • TRN Energy Private Limited
4.	Mr. Keshav Porwal Managing Director S/o Raghubans Kumar Gupta Address: Flat No. N-2, Prathmesh CHS, Off Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025 Occupation: Service DIN: 06706341 Date of Appointment: November 27, 2017 Term: November 27, 2017 to November 26, 2022	41	Indian	• Sahyog Homes Limited • CIFL Investment Manager Private Limited • Capital India Home Loans Limited • CIFL Holdings Private Limited • Capital India Wealth Management Private Limited • Capital India Asset Management Private Limited • KPSB Realtech LLP • Black Gold Coal LLP

5.	Mr. Amit Sahai Kulshreshtha CEO & Director S/o Vishnu Sahai Kulshreshtha Address: B/3, Prathamesh Co Op Housing Society, Twin Tower Lane, Off VS Road, Bombay Dyeing Compound, Prabhadevi Mumbai – 400 025 Occupation: Service DIN: 07869849 Date of Appointment: November 27, 2017 Term: November 27, 2017 to November 26, 2022	42	Indian	• CIFL Investment Manager Private Limited • Capital India Home Loans Limited • CIFL Holdings Private Limited • Capital India Wealth Management Private Limited • Capital India Asset Management Private Limited
6.	Mr. Vineet Kumar Saxena Director S/o Gyanesh Kumar Saxena Address: K-904, Greewoods, Chakala, Andheri Kurla Road, Andheri east, Mumbai – 400 093 Occupation: Service DIN: 07710277 Date of Appointment: November 27, 2017 Term: Next Annual General Meeting	49	Indian	• Fintree Finance Private Limited • Capital India Home Loans Limited
7.	Mr. Rahul Ramesh Kumar Jain Director S/o Rameshkumar Bherumal Jain Address: 7, Siyal House 2nd Floor, Flat No. 202 2nd Fanaswadi, Mumbai - 400002 Occupation: Professional DIN: 07541089 Date of Appointment: January 27, 2017 Term: January 26, 2022	29	Indian	• Sitara Realities Private Limited • Sahyog Builders and Developers Private Limited • Sahyog Dream Homes Private Limited • Legend Fly Private Limited • Universal Airways Private Limited
8.	Mr. Subodh Kumar Director S/o Om Pal Address: C – 492 Sarswati Vihar, Delhi - 110034 Occupation: Service DIN: 07781250 Date of Appointment: November 27, 2017 Term: Next Annual General Meeting	41	Indian	• Sahyog Real Estate Ventures LLP • Koshi Builders private Limited
9.	Ms. Shraddha Kamat Suresh Director D/o Suresh Kamat Ramchandra Address: B/8, Ratnadeep, Mahant Road extension, Vile Parle (east), Mumbai – 400 057 Occupation: Professional DIN: 07555355 Date of Appointment: November 27, 2017 Term: Next Annual General Meeting	33	Indian	Nil

Brief Biography of our Directors:

Mr. Vinod Somani, aged 64 years, is a fellow member of Institute of Chartered Accountants of India. He is a senior partner with M/s KG Somani & Co., chartered accountants since 1986. He has been auditing the accounts of Nationalised Banks, Insurance Companies, Government and Public Sector Companies. He has a sound knowledge of Finance, Companies Act and Tax Laws. Since M/s KG Somani & Co was registered SEBI Merchant Banker Category IV, he is well versed with Merchant Banking activities. He was a member of the MOU Task Force and Expert panel of the Task Force on the Memorandum of Understanding of Central Public Sector Enterprises.

Mr. Achal Kumar Gupta, aged 64 years, is qualified CAIIB and MA. He has held top positions in SBI, SBI Mutual Fund, State Bank of Patiala and IFCI Limited. He was the Managing Director of State Bank of Patiala and SBI Mutual Funds Management Private Limited. Currently he is non- executive director in South Indian Bank Limited and an independent director in Canara Robecco Asset Management Company Limited.

Mrs. Promila Bhardwaj, aged 63 years is a former IRS officer of 1979 Batch. She has put in more than 35 years of service with the Government of India as Commissioner, Chief Commissioner & Director General & handled both domestic as also International Taxation. Besides, she also worked as Director in Ministry of Finance, Ministry of Industry & Ministry of Human Resource Development. Mrs. Bhardwaj did her Bachelors with Honours in English, Masters in English Literature, M Phil in Social Sciences & obtained Post Graduate Diploma in Public Administration.

Mr. Keshav Porwal, aged 41 years is having more than 19 years of experience in Real Estate and Financial Services sector. Keshav brings considerable experience in successfully closing large and complex real estate transactions involving leading developers of the country as well as private investments. Prior to this, Keshav has worked with India Infoline Limited, Société Générale, ABN AMRO and ICICI Bank. Keshav is a member of the Institute of Chartered Accountants of India and is a Bachelor of Science from Kanpur University.

Mr. Amit Sahai Kulshreshtha, aged 42 years is having over 19 years of varied professional experience in the areas of mergers & acquisitions, structured finance, equity fundraising, financial structuring, project finance, project development and management consulting. Prior to this Amit has worked with YES Bank Limited, Reliance Infrastructure, CRISIL Limited (an S&P Global Company) and RPG Enterprises. Amit is a B. Tech from IIT (BHU) Varanasi, PGDM from IIM Kozhikode and has completed LLB from Mumbai University.

Mr. Vineet Kumar Saxena, aged 49 years is having more than 23 years of experience in Banking and Financial Services. He is a financial services professional with rich and diverse experience in commercial and retail lending across organizations like ICICI Bank, Barclays Bank, G.E Capital TFS, ABN AMRO Bank, Religare Finvest Limited and Star Agri Finance Limited. Vineet is B.E. (Electronics) from University of Pune and M.B.A.(Finance) from University of Lucknow.

Mr. Rahul Ramesh Kumar Jain, aged 29 years is a Chartered Accountant with 8 years of experience in Investment Banking, Real Estate Funding, Structure Finance, Deal Closure and Negotiations. He has wide experience in Real Estate and Non-Real Estate sectors having closed considerable amount of transactions in that space

Mr. Subodh Kumar, aged 41 years, is a competent professional with nearly 16 years of experience in telecom and hospitality sectors.

Ms. Shraddha Kamat Suresh, aged 33 years, has over 6 years of experience in corporate strategy in financial services industry and real estate sector. She is MBA Finance from Narsee Monjee Institute of Management Studies and has done her Bachelors in Commerce from Mumbai University.

Relationship between Directors

None of our Directors are related to each other. We further confirm that:

- we have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which our Director were selected as Director or member of Senior Management.
- There are no service contracts executed between our Company and any of our Directors providing for benefits upon termination of employment.

Further none of our Directors are / were either director on board of listed companies that have been delisted from any Stock Exchanges or hold any current and past directorship(s) during the preceding five years in listed companies whose shares have been or were suspended from being traded on BSE.

Borrowing Powers of our Board of Directors

The members of our Company has passed a resolution in Annual General Meeting on March 27, 2017, authorizing the Board of Directors of our Company to borrow from time to time all such monies as they may deem necessary for the purpose of business of our company notwithstanding that money borrowed by our company together with the monies already borrowed by our company may exceed the aggregate of the paid up capital and its free reserves provided that the total amount upto which monies be borrowed by the Board of Directors shall not exceed the sum of Rs. 500 Crores at any point of time.

Further, our Board has approved the Postal ballot notice on December 20, 2017 to increase the borrowing limits of the Company to Rs. 20,00,00,00,000/- (Rupees Two Thousand Crores only) in accordance with the provision of Section 180(1)(c) and other relevant provisions of the Companies Act, 2013.

Remuneration of the Directors

The significant terms of Mr. Keshav Porwal appointment as the Managing Director, as per the Resolution passed by the Board in its Meeting held on November 27, 2017 are as follows:

Tenure of Appointment	Appointed as Managing Director from November 27, 2017 to November 26, 2022
Salary Perquisites and Benefits	Basic Salary 3,20,833 per month Perquisites HRA – Rs. 1,60,417/- per month Medical (Domiciliary) allowance – Rs. 1,250/- per month Leave travel allowance – Rs. 26,736/- per month Conveyance allowance – 1,600 Car running expenses reimbursement – 50,000 Special/Other Allowances – Rs. 3,17,331/- per month

The significant terms of Mr. Amit Sahai Kulshreshtha appointment as the ED & CEO, as per the Resolution passed by the Board in its Meeting held on November 27, 2017 are as follows:

Tenure of Appointment	Appointed as Executive Director and CEO from November 27, 2017 to November 26, 2022
Salary Perquisites and Benefits	Basic Salary 3,20,833 per month Perquisites HRA – Rs. 1,60,417/- per month Medical (Domiciliary) allowance – Rs. 1,250/- per month Leave travel allowance – Rs. 26,736/- per month Conveyance allowance – 1,600 Car running expenses reimbursement – 50,000 Special/Other Allowances – Rs. 3,17,331/- per month

Interest of Directors

All of our directors may be deemed to be interested to the extent of their shareholding, remuneration / fees, if any, payable to them, for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration paid in their professional capacity and / or reimbursement of expenses, if any, payable to them and the shares held by them in our Company.

Except as stated above our Directors do not have any other interest in our business.

Corporate Governance

Corporate Governance involves the building of a set of relationships between the Company, its Board, the management, the shareholders and other stakeholders by putting in place a structure and a system through which the established goals of the Company may be achieved. It denotes the process through which the Board of Directors oversees what the management does. Good governance is integral to the existence of a Company. It inspires and strengthens investor confidence by ensuring Company's commitment to higher growth and profits. Our Company's management and Board of Directors are committed to ensure good corporate governance in its operations. The Company has complied with the Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Audit Committee

The Audit Committee was reconstituted by our Board in their meeting held on December 20, 2017. The Audit Committee presently comprises of:

Name of Member	Designation
Mr. Vinod Somani	Chairman
Mr. Achal Kumar Gupta	Member
Mr. Vineet Kumar Saxena	Member

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was reconstituted by our Board in their meeting held on December 20, 2017. The Nomination and Remuneration Committee presently comprises of:

Name of Member	Designation
Mr. Achal Kumar Gupta	Chairman
Mr. Vinod Somani	Member
Mr. Vineet Kumar Saxena	Member

Stakeholders Relationship Committee

The Stakeholder Relationship Committee was reconstituted by our Board in their meeting held on December 20, 2017. The Stakeholder Relationship Committee presently comprises of:

Name of Member	Designation
Mr. Vinod Somani	Chairman
Mr. Achal Kumar Gupta	Member
Mr. Vineet Kumar Saxena	Member

Investment Committee

The Investment Committee was constituted by our Board in their meeting held on January 11, 2018. The Investment Committee presently comprises of:

Name of Member	Designation
Mr. Achal Kumar Gupta	Chairman
Mr. Keshav Porwal	Member
Mr. Amit Sahai Kulshreshtha	Member

Risk Management Committee

The Risk Management Committee was constituted by our Board in their meeting held on January 11, 2018. The Risk Management Committee presently comprises of:

Name of Member	Designation
Mr. Achal Kumar Gupta	Chairman
Mr. Keshav Porwal	Member
Mr. Amit Sahai Kulshreshtha	Member

Asset-Liability Committee

The Asset-Liability Committee was constituted by our Board in their meeting held on January 11, 2018. The Asset-Liability Committee presently comprises of:

Name of Member	Designation
Mr. Vinod Somani	Chairman
Mr. Keshav Porwal	Member
Mr. Amit Sahai Kulshreshtha	Member

Credit Committee

The Credit Committee was constituted by our Board in their meeting held on January 11, 2018. The Credit Committee presently comprises of:

Name of Member	Designation
Mr. Keshav Porwal	Member
Mr. Amit Sahai Kulshreshtha	Member
Mr. Vineet Kumar Saxena	Member

Shareholding of our Directors

None of the Directors hold any equity shares in our company as on date of this Draft letter of Offer.

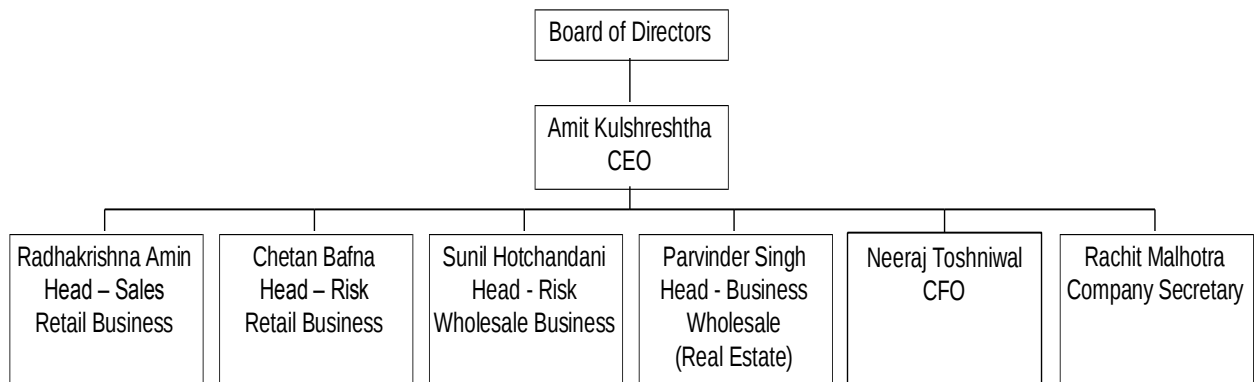
Changes in the Board of Directors in the last 3 years

Sr. No.	Name of the Directors	Designation	Date of Appointment	Date of Cessation
1	Mr. Vadake Chundayil Sreenivasan	Director	-	March 30, 2015
2.	Ms. Seema Kumari	Director	March 30, 2015	-
3.	Mr. Keshav Porwal	Managing Director	November 27, 2017	-
4.	Mr. Amit Sahai Kulshreshtha	CEO	November 27, 2017	-

5.	Mr. Vineet Kumar Saxena	Director	November 27, 2017	-
6.	Mr. Subodh Kumar	Director	November 27, 2017	-
7.	Ms. Shraddha Kamat Suresh	Director	November 27, 2017	-
8.	Mr. Rahul Ramesh Kumar Jain	Director	January 27, 2017	-
9.	Ms. Seema Kumari	Director	-	November 27, 2017
10.	Mr. Satish Kumar Sharma	Director	-	November 27, 2017
11.	Mr. Samai Singh	Director	-	November 27, 2017
12.	Mr. Achal Kumar Gupta	Independent Director	December 20, 2017	-
13.	Mr. Vinod Somani	Independent Director	December 20, 2017	-
14.	Ms. Promila Bhardwaj	Independent Director	December 20, 2017	-

Organisation Structure

The Organisation Structure of Senior Management is given below:



Key Managerial Personnel

The following are Key Managerial Personnel of our Company.

Name	Designation	Age (years)	Qualification	Experience (years)	Date of Joining
Keshav Porwal	Managing Director	41	CA	19	27-Nov-17
Amit Sahai Kulshreshtha	CEO	42	PGDM	19	27-Nov-17
Vineet Kumar Saxena	Director	49	MBA	23	27-Nov-17
Radhakrishna Amin	Head – Sales (Retail Business)	42	B Com	20	30-Nov-17
Chetan A. Bafna	Head – Risk (Retail Business)	36	CA	15	05-Oct-17
Sunil Hotchandani	Risk Head – Wholesale Lending	37	CA	15	26-Dec-17
Parvinder Singh	Business Head – Real Estate	34	PGDM	12	18-Dec-17
Neeraj Toshniwal	Chief Finance Officer	40	CA	16	11-Jan-18
Rachit Malhotra	Company Secretary	27	CS	5	11-Jan-18

All our Key Managerial Personnel are permanent employees of our Company.

Brief Profile of Key Managerial Personnel:

Mr. Keshav Porwal, aged 41 years is having more than 19 years of experience in Real Estate and Financial Services sector. Keshav brings considerable experience in successfully closing large and complex real estate transactions involving leading developers of the country as well as private investments. Prior to this, Keshav has worked with India Infoline Limited, Société Générale, ABN AMRO and ICICI Bank. Keshav is a member of the Institute of Chartered Accountants of India and is a Bachelor of Science from Kanpur University.

Mr. Amit Sahai Kulshreshtha, aged 42 years is having over 19 years of varied professional experience in the areas of mergers & acquisitions, structured finance, equity fundraising, financial structuring, project finance, project development and management consulting. Prior to this Amit has worked with YES Bank Limited, Reliance Infrastructure, CRISIL Limited (an S&P Global Company) and RPG Enterprises. Amit is a B. Tech from IIT (BHU) Varanasi, PGDM from IIM Kozhikode and has completed LLB from Mumbai University.

Mr. Vineet Kumar Saxena, aged 49 years is having more than 23 years of experience in Banking and Financial Services. He is a financial services professional with rich and diverse experience in commercial and retail lending across organizations like ICICI Bank, Barclays Bank, G.E Capital TFS, ABN AMRO Bank, Religare Finvest Limited and Star Agri Finance Limited. Vineet is B.E. (Electronics) from University of Pune and M.B.A.(Finance) from University of Lucknow.

Mr. Radhakrishna Amin, aged 42 years is a banking professional with over 18 years experience in Banking industry across sales/marketing, business development, key account management & branch operations along with driving sales growth of mortgage products. He is bachelors in commerce from Mumbai University. He has thorough knowledge of mortgage loans - home loan & loan against property and deep insight into third party cross sell products.

Mr. Chetan A. Bafna, aged 36 years having more than 15 years post qualification experience in financial Analysis and process implementation. He is chartered accountant by profession. He has implemented BPMS (Business Process Management System) in Reliance Consumer Finance and APS (Application Processing System) in ICICI Bank Limited.

Mr. Sunil Hotchandani, aged 37 years, is a Chartered Accountant with 15 years of experience in Credit Appraisal, Real estate Financing, Structure Finance, Mortgages, Deal Closure and Negotiations. He evaluates and underwrite financial models and proposals of real estate developers across India for fresh/additional business opportunities including debt and structured finance deals.

Mr. Parvinder Singh, aged 34 years, is a PGDM from IIM Indore with 12 years of experience in Marketing, real estate investments, investment banking, fund raising, capital markets, asset management, corporate finance and divestment. He has been working in Real Estate sector for last 11 years.

Mr. Neeraj Toshniwal, aged 40 years, is a qualified Chartered Accountant with 16 years of experience in Debt Raising, treasury and banking activities, MIS, reporting to investors, budgeting and accounts. He has experience in Corporate Finance and Treasury including fund mobilization, cash flow monitoring.

Mr. Rachit Malhotra, aged about 27 years, having over 5 years of extensive experience in the field of Corporate Laws, Taxation Laws, Accountancy, Management and allied matters. He has been exposed to corporate restructuring transactions (such as Merger and Takeover of Companies), Compliance Management, Corporate Governance. He has done Bachelor of Commerce with Honours from SOL, University of Delhi and is an associate member of the Institute of Company Secretaries of India.

Relationship between Key Managerial Personnel

None of our KMPs are related to each other. We further confirm that the service contracts entered into with our Key Management Personnel does not provide for any benefit upon termination of employment except the retirement benefits payable to them as Provident Fund, Superannuation and Gratuity as per the policies of our Company. Except the normal incentive scheme of the Company, there is no specific incentive sharing plan for the Key Managerial Personnel.

Shareholding of the Key Managerial Personnel

None of the key managerial personnel hold any equity shares in our company.

Changes in the Key Managerial Personnel in Last 3 Years

Sr. No.	Name of the KMPs	Designation	Date of Appointment	Date of Cessation
1.	Mr. Sukomal Bhunya	Chief Financial officer	March 31, 2015	-
2.	Mr. Himmat Singh Bedla	CEO	March 31, 2015	-
3.	Mr. Rahul Jogi	Company Secretary	March 31, 2015	-
4.	Mr. Rahul Jogi	Company Secretary	-	November 30, 2015
5.	Mr. Munesh Kumar Gaur	Company Secretary	November 30, 2015	-
6.	Mr. Munesh Kumar Gaur	Company Secretary	-	March 31, 2016
7.	Mr. Chetan A. Bafna	Head – Risk (Retail Business)	October 05, 2017	-
8.	Mr. Sukomal Bhunya	Chief Financial officer	-	November 27, 2017
9.	Mr. Himmat Singh Bedla	CEO	-	November 27, 2017
10.	Mr. Keshav Porwal	Managing Director	November 27, 2017	
11.	Mr. Amit Sahai Kulshreshtha	CEO	November 27, 2017	
12.	Mr. Vineet Kumar Saxena	Director	November 27, 2017	
13.	Mr. Radhakrishna Amin	Head – Sales (Retail Business)	November 30, 2017	-
14.	Mr. Parvinder Singh	Business Head – Real Estate	December 18, 2017	
15.	Mr. Sunil Hotchandani	Risk Head – Wholesale Lending	December 26, 2017	

16.	Ms. Archana Aggarwal	Company Secretary	-	January 11, 2018
17	Mr. Rachit Malhotra	Company Secretary	January 11, 2018	-
18.	Mr. Neeraj Toshniwal	Chief Financial Officer	January 11, 2018	-

Interest of Key Managerial Personnel

No key Managerial Personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Employee Stock Option Scheme / Employees Stock Purchase Scheme

Presently, there is no Employee Stock Option or Employees Stock Purchase Scheme under implementation.

Payment or benefit to officers of the Company

Except the payment of salaries and perquisites, our Company does not make any payments to its officers. For details pertaining to payments made to KMP, please refer to the disclosures made in the chapter “Financial Statements” at page 108.

OUR PROMOTER

The Promoter of our Company is **Capital India Corp LLP** formerly known as **Trident Holdings LLP**

M/s Capital India Corp LLP, is a limited liability partnership (“LLP”) incorporated under the Limited Liability Partnership Act, 2008, vide certificate of registration dated June 20, 2017, issued by the Registrar of Companies, New Delhi vide LLP identification number AAJ-7602. At present the registered office of the LLP is situated at B-4, Second Floor, Defence Colony, New Delhi – 110024. The name of our Promoter was changed to the present name w.e.f December 28, 2017.

PAN of the partnership firm is AAMFT6337P.

Designated Partners

S. No.	Name of the Partner	Resident Address	Date of Appointment	Designated Partner Identification Number (DPIN)	Designation
1.	Mr. Sumit Kumar Narvar	51, August Kranti Marg, Anand Lok, Andrews Ganj, New Delhi - 110049	June 20, 2017	02045194	Designated Partner
2.	Mrs. Poonam Narvar	51, Anand Lok, Andrews Ganj, New Delhi - 110049	June 20, 2017	02043399	Designated Partner

Partnership interest of the Promoter are:

S. No.	Name of Partners	% of Partnership Interest
1.	Sumit Kumar Narvar	50.00
2.	Poonam Narvar	50.00
	Total	100.00

There has been no change in the control or management of M/s Capital India Corp LLP since incorporation.

Brief profile of Designated Partners

Mr Sumit Kumar Narvar – PAN – AFDPN9219A Voter ID Number - ZYH3708047

Mr. Sumit Kumar Narvar is an entrepreneur with an ability to identify, nurture and grow businesses. He has rich experience in construction and infrastructure sector in India. Under his leadership Trident Realty group has delivered large real estate projects with 2.5 million sq. ft. area in NCR, and 7 million sq. ft. area of Residential and Commercial Space in Mumbai through the group company Sahyog Homes Limited. In addition, 10.40 million Sq. Ft. area is under development in Mumbai.

Mr. Sumit Kumar Narvar, not only provides mentorship to the management team in building successful businesses but also proactively guides and supports the Group’s team in critical areas of businesses. The ongoing projects of the Trident Realty and Sahyog Homes Limited are Trident Embassy in Greater Noida West, NCR, over 2 million sq. ft., partly delivered, in Mumbai residential group housing projects in the name of Verona, Roma and Oshi with potential development over 2.5 million sq. ft. in Oshiwara RM Road, Andheri West and BomBay Livon with potential development over 3.5 million sq. ft. opposite Lokhandwala Andheri West and group housing project O2, in Malad potential development over 1.5 million sq. ft. The upcoming Projects of the Group are Trident Embassy-2 in Greater Noida West, NCR, over 1 million sq. ft. and residential group housing developments on sector 103 104 on Dwarka expressway Gurugram, NCR, over 6.5 million sq. ft. and Malad One with potential development of over 5.5 million sq. ft. on western expressway, Malad, Mumbai.

Name of other ventures/companies in which he is designated partner or director

Name of the Companies/bodies Corporate/firms/association of individuals	Nature of Interest
Millennium Infrapromoters Private Limited	Director
Kalindi Projects Private Limited	Director
Trident Infrahomes Private Limited	Director
Trident Infrarealty India Private Limited	Director
Trident Realcon India Private Limited	Director
Trident Infrawell Private Limited	Director
Trident Buildtech Private Limited	Director
Red Fort Realcon LLP	Designated Partner
Narvar Realty Corp LLP	Designated Partner
Jug Villa LLP	Designated Partner
Jug Villa Ventures LLP	Designated Partner
Trident Business Park LLP	Designated Partner
Trident Realty LLP	Designated Partner

Mrs. Poonam Narvar – PAN – AFDPN9246F Voter ID Number: ZYH3708013

Mrs. Poonam Narvar has completed her Bachelor in Arts from University of Delhi and has been on the Board of Directors of Trident Infrahomes Private Limited since 2010.

Name of other ventures/companies in which she is designated partner or director

Name of the Companies/bodies Corporate/firms/association of individuals	Nature of Interest
Millennium Infrapromoters Private Limited	Director
Trident Infrarealty India Private Limited	Director
Trident Realcon India Private Limited	Director
Trident Infrawell Private Limited	Director
Trident Buildtech Private Limited	Director
Red Fort Realcon LLP	Designated Partner
Narvar Realty Corp LLP	Designated Partner
Jug Villa LLP	Designated Partner
Jug Villa Ventures LLP	Designated Partner
Jug Villa Real Estate Developers LLP	Designated Partner
Trident Realty LLP	Designated Partner

Financial performance

The Unaudited financial results of M/s Capital India Corp LLP for the period from June 20, 2017 to November 30, 2017 are set forth below.

(Rupees in Lakhs)	
Particulars	For the period June 20, 2017 to November 30, 2017 (Unaudited)
Total Revenue	-
Total Expenditure	0.16
Profit before Depreciation , Interest and Tax	(0.16)
Net profit / (loss) after tax	(0.16)
Partner Capital	501.00
Reserves & Surplus	(0.16)
Net Worth	500.84

Recently, in December 2017, our Company has been acquired by the present promoter - M/s Capital India Corp LLP (Formerly Trident Holding LLP) pursuant to an Open Offer made under Regulations 3(1) and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 which opened on November 17, 2017 and closed on November 30, 2017. The price of the Open Offer was Rs. 11.50. The settlement date was December 08, 2017. Post Open Offer shareholding of M/s Capital India Corp LLP is 63.73% of total equity share capital of the Company.

Other confirmation

We confirm that the details of the permanent account numbers, bank account numbers and Passport of our promoter have been submitted to the Stock Exchanges at the time of filing the Draft Letter of Offer with the Stock Exchanges. Our Promoter have informed that they have not been declared as willful defaulters by the RBI or any other Governmental authority and there are no violations of securities laws committed by him in the past or are pending against him.

Our Promoter entity has not been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoter is not and has never been a promoter, director or person in control of any other company which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Common Pursuits

Our Promoter Entity is not engaged in activities similar to our business.

Interest of Promoter

Our Promoter entity shall be deemed as interested to the extent of Equity Shares held by them or by the companies / firms / ventures promoted by him/them, if any and dividend or other distributions payable to it in respect of the said Equity Shares. Except as stated herein and above and in the section titled “Financial Statements” on page 108 of the Draft Letter of Offer, and to the extent of shareholding in our Company, our Promoter entity does not have any other interest in our business

Related party transactions

For details of related party transactions refer to “Financial Statements” on page 108 of the Draft Letter of Offer.

Litigation

For details on litigations and disputes pending against the promoter and defaults made by them please refer to the section titled “Outstanding Litigations and material Developments

OUR PROMOTER GROUP

Given below is the list of entities which forms part of our Promoter Group. None of the Promoter Group Companies have made any public issue in the preceding three years. None of the Promoter Group Company has become a sick company under the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 or the Insolvency and Bankruptcy Code, 2016 and is not under winding up or liquidation.

1. Trident Infrahomes Private Limited
2. Trident Buildtech Private Limited
3. Sahyog Homes Limited
4. Legend Fly Private Limited
5. Trident Buildwell Private Limited
6. Trident Infratech Private Limited
7. Trident Infracore Private Limited
8. Trident Realtech Private Limited
9. Trident Realcon Private Limited
10. Trident Infrarealty India Private Limited
11. Millennium Infrapromoters Private Limited
12. Kalindi Projects Private Limited
13. Universal Airways Private Limited
14. Sitara Realities Private Limited
15. Sahyog Builders and Developers Private Limited
16. Sahyog Dream Homes Private Limited

1. Trident Infrahomes Private Limited

Trident Infrahomes Private Limited was originally incorporated on October 01, 2010 under the Companies Act, 1956 with the Registrar of Companies, NCT Delhi & Haryana. The registered office of the company is situated at situated B-4, 2nd Floor, Defence Colony, New Delhi-110024. The CIN of the company is U70200DL2010PTC209005. The main objects of the Company is to engage in infrastructure development, Real Estate Promoters, Developers & Project Management Association including civil, construction, mechanical, electrical and all other types erection, commissioning projects, project trading as well as consultant for execution of projects on turnkey basis for equipments of industrial , domestic and other purposes.

Board of Directors

- Mr. Sumit Kumar Narvar
- Mr. Rajiv Goel

Shareholding Pattern as on December 31, 2017

Name	No. of equity shares	% of shareholding
Mr. Amit Singh	1313	0.26
Trident Realty LLP	5,03,376	99.74
Mr. Sumit Kumar Narvar	1	0.0001
Total	5,04,690	100.00

The audited financial results of Trident Infrahomes Private Limited for the financial years ended March 31, 2017, 2016 and 2015 are set forth below.

	(₹ in Lakhs)		
Particulars	March 31, 2017	March 31, 2016	March 31, 2015
Total Revenue	3435.15	4512.65	3.37
Net profit after tax	26.40	44.35	1.95
Equity Share Capital	50.47	50.47	1.00
Preference Share Capital	-	-	-
Reserves & Surplus	1451.50	1425.10	33.32
Net Worth	1501.97	1475.57	34.32
Book Value (in ₹) of face value	297.60	292.37	43.32

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
₹ 10 each			
EPS (in ₹) of face value ₹ 10 each	5.23	21.22	19.51

2. Trident Buildtech Private Limited

Trident Buildtech Private Limited was originally incorporated on February 12, 2011 under the Companies Act, 1956 with the Registrar of Companies, NCT Delhi & Haryana. The registered office of the company is situated at D-31A, West Jyoti Nagar, Shahdra, Delhi 110 094. The CIN of the company is U45400DL2011PTC214004. The main objects of the Company is to purchase, acquire, and take on lease or in exchange or in any other such lawful manner any land, buildings and structures and to develop the same and dispose of or maintain the same and to equip the same or any part of other buildings, or any related amenities or conveniences such as drainage.

Board of Directors

- Mr. Sumit Kumar Narvar
- Ms. Poonam Narvar

Shareholding Pattern as on December 31, 2017

Name	No. of equity shares	% of shareholding
Mr. Sumit Kumar Narvar	1,45,000	72.50
Ms. Poonam Narvar	45,300	22.65
M/s Modern Info Technologies Private Limited	1800	.90
M/s Magic Consultants Pvt Ltd	1600	.80
M/s AL Consultants Pvt. Ltd	1600	.80
Mr. Keshav Porwal	2,000	1.00
Ms. Juhi Rastogi	2,000	1.00
Mr. Deepak Vaswan	100	0.05
Ms. Indu Choudhary	100	0.05
Mr. Rajiv Goel	100	0.05
Mr. Ajander Singh	100	0.05
Mr. Harish Kumar	100	0.05
Ms. Varsha Choudhary	100	0.05
Ms. Amita	100	0.05
Total	2,00,000	100.00

The audited financial results of Trident Buildtech Private Limited for the financial years ended March 31, 2017, 2016 and 2015 are set forth below.

(₹ in Lakhs)

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
Total Revenue	84.00	78.18	9.27
Net profit after tax	(139.95)	(76.48)	(6.87)
Equity Share Capital	20.00	1.00	1.00
Preference Share Capital	-	-	-
Reserves & Surplus	(223.79)	(83.85)	(7.36)
Net Worth	(203.79)	(82.85)	(6.36)
Book Value (in ₹) of face value ₹ 10 each	(10.19)	(828.47)	(63.66)
EPS (in ₹) of face value ₹ 10 each	(214.72)	(764.81)	(68.72)

3. Sahyog Homes Limited

Sahyog Homes Limited was incorporated on December 23, 2009 under the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai. The registered office of the company is situated at 321, Morya Estate, New Link Road, Opp. Infinity Mall, Andheri (West), Mumbai - 400053. The CIN of the company is U45202MH2009PLC198080. The main objects of the Company is to carry on the business to construct, build, alter, acquire, convert, improve, design, erect establish of all types of development and construction work. The shares of the company are not listed on any stock exchange.

Board of Directors

- Mr. Rajiv Goel
- Mr. Ajander Singh
- Mr. Keshav Porwal

Shareholding Pattern as on December 31, 2017

Name	No. of equity shares	% of shareholding
Trident Buildtech Private Limited	72,69,005	100.00
Sumit Kumar Narvar*	1	0.00
Poonam Narvar*	1	0.00
Rajiv Goel*	1	0.00
Ajander Singh*	1	0.00
Rahul Jain*	1	0.00
Yogesh Balkrishna Jadhav*	1	0.00
Total	72,69,011	100.00

(*) Nominees of Trident Buildtech Private Limited

The audited financial results of Sahyog Homes Limited for the financial years ended March 31, 2017, 2016 and 2015 are set forth below.

	(₹ in Lakhs)		
Particulars	March 31, 2017	March 31, 2016	March 31, 2015
Total Revenue	162.79	66.22	38.10
Net profit after tax	1.60	-	(478.18)
Equity Share Capital	726.90	726.90	726.90
Preference Share Capital	-	-	-
Reserves & Surplus	147.54	145.94	145.94
Net Worth	874.44	872.83	872.83
Book Value (in ₹) of face value ₹ 10 each	12.03	12.01	12.01
EPS (in ₹) of face value ₹ 10 each	-	-	-

4. Legend Fly Private Limited

Legend Fly Private Limited was incorporated on April 27, 2016 under the Companies Act, 2013 with the Registrar of Companies, Maharashtra, Mumbai. The registered office of the company is situated at 321, Morya Estate, New Link Road, Opp. Infinity Mall, Andheri (West), Mumbai - 400053. The CIN of the company is U62100MH2016PTC280241. The main objects of the Company is to carry on the business To carry on the business of aviation industry as a Non-Schedule Operator both for Aircraft and Helicopter for transporting passengers, mail, cargo and/or freight and to render and provide whether by itself or in association with other carriers all services and facilities that are necessary or desirable for the operation of air transport services in any part of the world including but not limited to maintenance, servicing and repairing of machinery and equipment, ground and ramp handling operations, communication, security cleaning and facilitation, passenger and cargo handling and storage services and training of personnel, technical or otherwise including catering and carry out all other forms of aerial work and provide airfield installation services.

Board of Directors

- Mr. Rajiv Goel
- Mr. Rahul Jain

Shareholding Pattern as on December 31, 2017

Name	No. of equity shares	% of shareholding
Sahyog Homes Limited	4,999	49.99
Mr. Rahul Jain (nominee shareholder of Sahyog Homes Limited)	1	00.01
Dharampal Satyapal Limited	5,000	50.00
Total	10,000	100.00

The audited financial results of Legend Fly Private Limited for the financial years ended March 31, 2017, 2016 and 2015 are set forth below.

	(₹ in Lakhs)
Particulars	March 31, 2017
Total Revenue	26.38
Net profit after tax	(18.52)
Equity Share Capital	1.00
Preference Share Capital	-
Reserves & Surplus	(18.52)
Net Worth	(17.52)
Book Value (in ₹) of face value ₹ 10 each	-
EPS (in ₹) of face value ₹ 10 each	(199.41)

5. Trident Buildwell Private Limited

Trident Buildwell Private Limited was originally incorporated on February 12, 2011 under the Companies Act, 1956 with the Registrar of Companies, NCT Delhi & Haryana. The registered office of the company is situated at D-31A, West Jyoti Nagar, Shahdra, Delhi 110 094. The CIN of the company is U45400DL2011PTC214005. The main objects of the Company is to purchase, acquire, and take on lease or in exchange or in any other such lawful manner any land, buildings and structures and to develop the same and dispose of or maintain the same and to equip the same or any part of other buildings, or any related amenities or conveniences such as drainage.

Board of Directors

- Mr. Ajander Singh
- Mr. Rajiv Goel

Shareholding Pattern as on December 31, 2017

Name	No. of equity shares	% of shareholding
Mr. Sumit Kumar Narvar	1,45,000	72.50
Ms. Poonam Narvar	45,300	22.65
M/s Modern Info Technologies Private Limited	1800	0.90
M/s Magic Consultants Pvt Ltd	1600	0.80
M/s AL Consultants Pvt. Ltd	1600	0.80
Mr. Keshav Porwal	2,000	1.00
Ms. Juhi Rastogi	2,000	1.00
Mr. Deepak Vaswan	100	0.05
Ms. Indu Choudhary	100	0.05
Mr. Rajiv Goel	100	0.05
Mr. Ajander Singh	100	0.05
Mr. Harish Kumar	100	0.05

Name	No. of equity shares	% of shareholding
Ms. Varsha Choudhary	100	0.05
Ms. Amita	100	0.05
Total	2,00,000	100.00

The audited financial results of Trident Buildwell Private Limited for the financial years ended March 31, 2017, 2016 and 2015 are set forth below.

	(₹ in Lakhs)		
Particulars	March 31, 2017	March 31, 2016	March 31, 2015
Total Revenue	3.89	10.61	5.44
Net profit after tax	(126.88)	(100.47)	(21.53)
Equity Share Capital	20.00	1.00	1.00
Preference Share Capital	-	-	-
Reserves & Surplus	(250.36)	(123.48)	(23.01)
Net Worth	(230.36)	(122.48)	(22.01)
Book Value (in ₹) of face value ₹ 10 each	(11.52)	(1224.78)	(220.09)
EPS (in ₹) of face value ₹ 10 each	(194.67)	(1004.69)	(215.35)

6. Trident Infratech Private Limited

Trident Infratech Private Limited was originally incorporated on April 29, 2010 under the Companies Act, 1956 with the Registrar of Companies, NCT Delhi & Haryana. The registered office of the company is situated at B-4, 2nd Floor, Defence Colony, New Delhi-110024. The CIN of the company is U70102DL2010PTC202146. The main objects of the Company is to engage in infrastructure development, Real Estate Promoters, Developers & Project Management Association including civil, construction, mechanical, electrical and all other types erection, commissioning projects, project trading as well as consultant for execution of projects on turnkey basis for equipments of industrial , domestic and other purposes.

Board of Directors

- Mr. Ajander Singh
- Mr. Rajiv Goel

Shareholding Pattern as on December 31, 2017

Name	No. of equity shares	% of shareholding
Mr. Sumit Kumar Narvar	6,500	65.00
Ms. Poonam Narvar	3,500	35.00
Total	10,000	100.00

7. Trident Infrawell Private Limited

Trident Infratech Private Limited was originally incorporated on February 11, 2011 under the Companies Act, 1956 with the Registrar of Companies, NCT Delhi & Haryana. The registered office of the company is situated at D-31A, West Jyoti Nagar, Shahdra, Delhi 110 094. The CIN of the company is U45400DL2011PTC213877. The main objects of the Company is to purchase, acquire, and take on lease or in exchange or in any other such lawful manner any land, buildings and structures and to develop the same and dispose of or maintain the same and to equip the same or any part of other buildings, or any related amenities or conveniences such as drainage.

Board of Directors

- Mr. Sumit Kumar Narvar
- Ms. Poonam Narvar

Shareholding Pattern as on November 30, 2017

Name	No. of equity shares	% of shareholding
Mr. Sumit Kumar Narvar	5,000	50.00
Ms. Poonam Narvar	5,000	50.00
Total	10,000	100.00

8. Trident Realtech Private Limited

Trident Realtech Private Limited was originally incorporated on November 16, 2010 under the Companies Act, 1956 with the Registrar of Companies, NCT Delhi & Haryana. The registered office of the company is situated at D-31A, West Jyoti Nagar, Shahdra, Delhi 110 094. The CIN of the company is U70200DL2010PTC210506. The main objects of the Company is to purchase, acquire, and take on lease or in exchange or in any other such lawful manner any land, buildings and structures and to develop the same and dispose of or maintain the same and to equip the same or any part of other buildings, or any related amenities or conveniences such as drainage.

Board of Directors

- Mr. Ajander Singh
- Mrs. Sargam Kataria

Shareholding Pattern as on December 31, 2017

Name	No. of equity shares	% of shareholding
Mr. Sumit Kumar Narvar	5,000	50.00
Ms. Narendra Gehlaut	5,000	50.00
Total	10,000	100.00

9. Trident Realcon Private Limited

Trident Realcon Private Limited was originally incorporated on January 15, 2011 under the Companies Act, 1956 with the Registrar of Companies, NCT Delhi & Haryana. The registered office of the company is situated at D-31A, West Jyoti Nagar, Shahdra, Delhi 110 094. The CIN of the company is U45400DL2011PTC212634. The main objects of the Company is to purchase, acquire, and take on lease or in exchange or in any other such lawful manner any land, buildings and structures and to develop the same and dispose of or maintain the same and to equip the same or any part of other buildings, or any related amenities or conveniences such as drainage.

Board of Directors

- Mr. Sumit Kumar Narvar
- Ms. Poonam Narvar

Shareholding Pattern as on December 31, 2017

Name	No. of equity shares	% of shareholding
Mr. Sumit Kumar Narvar	5,000	50.00
Ms. Poonam Narvar	5,000	50.00
Total	10,000	100.00

10. Trident Infrarealty India Private Limited

Trident Infrarealty India Private Limited was originally incorporated on November 16, 2010 under the Companies Act, 1956 with the Registrar of Companies, NCT Delhi & Haryana. The registered office of the company is situated at D-31A, West Jyoti Nagar, Shahdra, Delhi 110 094. The CIN of the company is U70101DL2010PTC210507. The main objects of the Company is to carry on the business of construction of residential homes, commercial buildings, flats and factories in and outside India. The shares of the company is not listed on any stock exchange.

Board of Directors

- Mr. Sumit Kumar Narvar
- Ms. Poonam Narvar

Shareholding Pattern as on December 31, 2017

Name	No. of equity shares	% of shareholding
Mr. Sumit Kumar Narvar	5,000	50.00
Ms. Poonam Narvar	5,000	50.00
Total	10,000	100.00

11. Millennium Infrapromoters Private Limited

Millennium Infrapromoters Private Limited was originally incorporated on February 25, 2008 under the Companies Act, 1956 with the Registrar of Companies, NCT Delhi & Haryana. The registered office of the company is situated at G-7, Dhawan Deep Building, 6, Jantar Mantar Road, New Delhi - 110001. The CIN of the company is U45400DL2008PTC174452. The main objects of the Company is to carry on the business of construction of residential houses, commercial buildings in or outside India. The shares of the stock exchanges are not listed on any stock exchange.

Board of Directors

- Mr. Sumit Kumar Narvar
- Ms. Poonam Narvar
- Ms. Raj Kumari Singh

Shareholding Pattern as on December 31, 2017

Name	No. of equity shares	% of shareholding
Mr. Sumit Kumar Narvar	2,600	26.00
Ms. Poonam Narvar	2,500	25.00
Ms. Raj Kumari Singh	4,900	49.00
Total	10,000	100.00

12. Kalindi Projects Private Limited

Kalindi Projects Private Limited was originally incorporated on November 3, 2008 under the Companies Act, 1956 with the Registrar of Companies, NCT Delhi & Haryana. The registered office of the company is situated at 8-F, BIG JOS TOWER, NETAJI SUBHASH PLACE, PITAMPURA, DELHI North East DL 110034 . The CIN of the company is U45200DL2008PTC184611. The main objects of the Company is to carry on the business of construction of residential houses, commercial buildings in or outside India. The shares of the stock exchanges are not listed on any stock exchange.

Board of Directors

- Mr. Sumit Kumar Narvar
- Mr. Shahzad Akhtar
- Mr. Vinod Kumar Tomar

Shareholding Pattern as on December 31, 2017

Name	No. of equity shares	% of shareholding
Mr. Sumit Kumar Narvar	3,333	33.33
Mr. Shahzad Akhtar	3,333	33.33
Mr. Vinod Kumar Tomar	3,334	33.34
Total	10,000	100.00

13. Universal Airways Private Limited

Universal Airways Private Limited was originally incorporated as Hindustan Broadcasting Company Private Limited on August 12, 1999 under the Companies Act, 1956 with the Registrar of Companies, NCT Delhi & Haryana and . The name of the company was subsequently changed to Universal Airways Limited and the fresh Certificate of Incorporation was issued on January 19, 2008. The name of the company was subsequently changed to Universal Airways Limited and the fresh Certificate of Incorporation was issued on May 26, 2010. The registered office of the company is situated at F-2/7, Okhla Industrial Area, Phase I, New Delhi - 110020. The CIN of the company is U64120DL1999PTC101111. The main objects of the Company is to establish, work, maintain and run Flying Training Academy / Academies at any place as may be licensed or permitted to the

Company and to purchase, lease, charter fixed and rotary aircrafts and hovercrafts and all other equipment for such purpose. To maintain service stations, workshops for the repair, maintenance, overhauling, modification and testing of such aircrafts and hovercrafts and to maintain supply depots for the same.

Board of Directors

- Mr. Rajiv Goel
- Mr. Rahul Rameshkumar Jain

Shareholding Pattern as on December 31, 2017

Name	No. of equity shares	% of shareholding
Legend Fly Private Limited	3,74,99,995	100.00
Mr. Rahul Jain(as a nominee of Legend Fly Private Limited)	5 (holding the share for and on behalf of the legend Fly Private Limited)	
Total	375,00,000	100.00

14. Sitara Realities Private Limited

Sitara Realities Private Limited was incorporated on July 16, 2009 under the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai. The registered office of the company is situated at 321, Morya Estate, New Link Road, Opp. Infinity Mall, Andheri (West), Mumbai – 400053 . The CIN of the company is U45202MH2009PTC194121. The main objects of the Company is to carry on the business in India or abroad of constructors, developers, builders, erectors Buyer Seller of houses, Bungalows, structures of building sites, constructing, re-constructing, sub – contracting, erecting, altering, improving, enlarging, developing, decorating, holding, furnishing and maintaining of structures, flats, houses and to invest in & hold properties and also rent, hire or lease.

Board of Directors

- Mr. Harish Kumar
- Mr. Rahul Jain

Shareholding Pattern as on December 31, 2017

Name	No. of equity shares	% of shareholding
Sahyog Homes Limited	9,999	99.99
Mr. Harish Kumar (nominee shareholder of Sahyog Homes Limited)	1	00.01
Total	10,000	100.00

15. Sahyog Builders And Developers Private Limited

Sahyog Builders And Developers Private Limited was incorporated on April 27, 2016 under the Companies Act, 2013 with the Registrar of Companies, Maharashtra, Mumbai. The registered office of the company is situated at 321, Morya Estate, New Link Road, Opp. Infinity Mall, Andheri (West), Mumbai - 400053. The CIN of the company is U45309MH2016PTC280259. The main objects of the Company is to carry on the business of all or any of foregoing activities for building material, goods, plants, machineries, equipments, accessories, parts, tools, fitting, articles, material and facilities.

Board of Directors

- Mr. Rajiv Goel
- Mr. Rahul Jain

Shareholding Pattern as on December 31, 2017

Name	No. of equity shares	% of shareholding
Sahyog Homes Limited	9,999	99.99
Mr. Rajiv Goel (nominee shareholder of Sahyog Homes Limited)	1	00.01
Total	10,000	100.00

16. Sahyog Dream Homes Private Limited

Sahyog Dream Homes Private Limited was originally incorporated on February 14, 2017 under the Companies Act, 2013 with the Registrar of Companies, Maharashtra, Mumbai. The registered office of the company is situated at 321, Morya Estate, New Link Road, Opp. Infinity Mall, Andheri (West), Mumbai - 400053. The CIN of the company is U45309MH2017PTC291184. The main objects of the Company is to construct, carry out, equip, support, maintain operate, improve all kinds of works, public or otherwise, building houses and other constructions. The shares of the company are not listed on any stock exchange.

Board of Directors

- Rahul Jain
- Rajiv Goel

Shareholding Pattern as on December 31, 2017

Name	No. of equity shares	% of shareholding
Sahyog Homes Limited	9,999	99.99
Rahul Jain (nominee shareholder of Sahyog Homes Limited)	1	0.01
Total	10,000	100.00

In addition to our corporate Promoter Group, the entities that form part of our Promoter Group are as follows:

S.No.	Name of Promoter Group Entity
1.	Red Fort Realcon LLP
2.	Narvar Realty Corp LLP
3.	Trident Realty LLP
4.	Trident Holding LLP
5.	Sahyog Real Estate Developers LLP
6.	Sahyog Real Estate Ventures LLP
7.	Sahyog Erectors LLP
8.	Sahyog Entrepreneurs LLP
9.	Sahyog Home Developers LLP
10.	Jug Villa LLP
11.	Jug Villa Ventures LLP
12.	Jug Villa Real Estate Developers LLP
13.	Trident Business Park LLP

DIVIDEND POLICY

The declaration and payment of dividend on the Equity Shares will be recommended by our Board and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by the Board.

Our Company has not declared dividend in past five financial years.

FINANCIAL STATEMENTS
STANDALONE FINANCIAL STATEMENTS
Report of the Independent Auditor on the
Summary of Restated Standalone Financial Statements

To,

The Board of Directors,

Capital India Finance Limited,
(Formerly known as Bhilwara Tex-Fin Limited)
2nd Floor, DLF Centre,
Sansad Marg, New Delhi-110001

Dear Sirs,

1. We have examined the attached Restated Standalone Financial Information of Capital India Finance Limited (Formerly known as Bhilwara Tex-Fin Limited) (“the Company”) for the purpose of its inclusion in the offer letter (“Offer Letter”) prepared by the Company in connection with its proposed right issue (“Right issue”). Such financial information comprises of:
 - (A) Financial Information as per Summary of Restated Standalone Financial Statements; and
 - (B) Other Financial Information which have been approved by the Board of Directors of the Company and prepared in accordance with the requirements of:
 - (a) Section 26(1)(b) of the Companies Act, 2013 (“The Act”) read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014; and
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (“SEBI Regulations”).
2. We have examined such financial information with regard to:
 - (a) the terms of reference agreed with the Company vide Engagement letter dated 20.12.2017 relating to the work to be performed on such financial information, proposed to be included in the Offer Letter of the Company in connection with its proposed right issue; and
 - (b) the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India.
3. **Financial Information**

The financial information referred to above, relating to profits/ losses, assets and liabilities and cash flows of the Company is contained in the following annexures to this report (collectively referred to as the “Summary of Restated Standalone Financial Statements”):

- (a) **Annexure I** containing the Restated Standalone Summary Statement of Assets and Liabilities, as at March 31, 2017, 2016, 2015, 2014, 2013 and as at 31st October, 2017 (Note No. 3 to 14).
- (b) **Annexure II** containing the Restated Standalone Summary Statement of Profit and Loss, for the years ended March 31, 2017, 2016, 2015, 2014, 2013 and for the Period ended 31st October, 2017 (Note No. 15 to 19).
- (c) **Annexure III** containing the Restated Standalone Summary Statement of Cash Flows, for the years ended March 31, 2017, 2016, 2015, 2014, 2013 and for the Period ended 31st October, 2017.
- (d) **Annexure IV** containing the Restated Standalone Statement of Significant Accounting Policies (Note No. 2.1 to 2.9).
- (e) **Annexure V** containing the Restated Standalone Statement of Notes to summary financial statements (Note No. 2.10 to 2.23).

The aforesaid Summary of Restated Standalone Financial Statements have been extracted by the Management from the audited standalone financial statements of the Company for those periods.

4. Other Financial Information

Other Financial Information relating to the Company which is based on the Summary of Restated Standalone Financial Statements prepared by the Management and approved by Board of Directors, is attached in **Annexure VI to Annexure VIII** to this report as listed hereunder:

- a) **Annexure VI** – Restated Standalone Summary Statement on the Adjustments to Audited Financial Statements
 - b) **Annexure VII** - Restated Standalone Summary Statement of Accounting Ratios
 - c) **Annexure VIII** - Restated Standalone Summary Statement of Capitalisation.
5. The Restated Summary Financial Statements do not contain all the disclosures required by the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 and /or as referred to in Section 133 of the Companies Act, 2013 applied in the preparation of the audited financial statements of the Company. Reading the Restated Summary Financial Statements, therefore, is not a substitute for reading the audited financial statements of the Company.

6. Management Responsibility on the Summary of Restated Standalone Financial Statements and Other Financial Information

Management is responsible for the preparation of Summary of Restated Standalone Financial Statements and Other Financial Information relating to the Company in accordance with Section 26(1)(b) of the Act read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI Regulations.

7. Auditor's Responsibility

Our responsibility is to express an opinion on the Summary of Restated Standalone Financial Statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagement to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

8. Opinion

In our opinion, the financial information of the Company as stated in Para 3 above and Other Financial Information as stated in Para 4 above, read with the Statement of Significant Accounting Policies enclosed in **Annexure IV** to this report, after making such adjustments / restatements and regroupings as considered

appropriate, have been prepared in accordance with Section 26(1)(b) of the Act read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI Regulations.

- a) There are no qualifications in the Auditors' reports that require an adjustment in the Summary of Restated Standalone Financial Statements;
 - b) Adjustments for the material amounts, in the respective period/years to which they relate have been made in the attached summary of Restated Standalone Financial Statements;
 - c) There are no further extraordinary/exceptional items other than those disclosed in the Summary of Restated Standalone Financial Statements.
 - d) There is no change in accounting policy for all the reporting periods. Hence, there is no adjustments for the changes in accounting policies retrospectively in the reported financial years.
9. The figures included in the Summary of Restated Standalone Financial Statements and Other Financial Information do not reflect the events that occurred subsequent to the date of the audit reports on the respective periods referred to above.
10. This report should not in any way be construed as are issuance or redating of the previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.
11. We did not perform audit tests for the purpose of expressing an opinion on individual balances or summaries of selected transactions, and accordingly, we express no such opinion thereon.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. This report is issued at the specific request of the Company for your information and inclusion in the Offer letter to be filed by the Company with SEBI and Stock Exchanges in connection with the Proposed Right issue of equity shares of the Company. This report may not be useful for any other purpose.

For **AVK & Associates**
Chartered Accountants
Firm Registration No-002638N

Sd/-
(CA Ashwani Kumar Relan)
Partner
Membership No. 088309
Peer Review Certificate No -008690
dated December 23, 2015
Place: New Delhi
Date: 05/01/2018

For **Divyank Khullar and Associates**
Chartered Accountants
Firm Registration No. – 025755N

Sd/-
(CA Divyank Khullar)
Proprietor
Membership No. 528399

Place : New Delhi
Date : 08/01/2018

Annexure I - Restated Standalone Summary Statement of Assets and Liabilities

Amount in Rs

Particulars	No te No.	As at 31st October 2017	As at March 31st,				
			2017	2016	2015	2014	2013
EQUITY AND LIABILITIES							
1 Shareholders' fund							
(a) Share Capital	3	3,50,27,000	3,50,27,000	3,50,27,000	3,50,27,000	3,50,27,000	3,50,27,000
(b) Reserves and Surplus	4	2,56,14,392	45,05,278	21,53,353	(9,447)	(11,30,893)	(17,28,899)
		6,06,41,392	3,95,32,278	3,71,80,353	3,50,17,553	3,38,96,107	3,32,98,101
2 Non-Current Liabilities							
(a) Long-Term Borrowings	5	99,18,00,000	1,37,68,00,000	-	-	11,82,00,000	9,00,78,000
(b) Deferred Tax Liabilities (Net)		-	-	-	-	-	-
(c) Other Long Term Liabilities		-	-	-	-	-	-
(d) Long- Term Provisions	6	49,43,141	49,43,141	25,53,373	19,45,109	2,92,719	2,55,698
		9,67,43,141	1,38,17,43,141	25,53,373	19,45,109	11,84,92,719	9,03,33,698
3 Current Liabilities							
(a) Short Term Borrowings	7	3,40,00,000	-	48,33,27,537	52,62,87,328	-	-
(b) Trade Payables		-	-	-	-	-	-
- Due to Micro and Small Enterprises		-	-	-	-	-	-
- Due to Others		-	-	-	-	-	-
(c) Other Current Liabilities	8	8,39,41,578	1,63,74,541	7,00,42,389	2,96,34,684	2,51,84,164	1,23,13,711
		1,79,41,578	1,63,74,541	5,33,69,926	5,59,22,012	2,51,84,164	,23,13,711
Total		1,17,53,26,111	1,43,76,49,960	59,31,03,652	59,28,84,674	17,75,72,990	13,59,45,510
ASSETS							
1 Non Current Assets							
(a) Fixed Assets							
(i) Tangible Assets		37,93,127	-	-	-	-	-
(ii) Intangible Assets		-	-	-	-	-	-
-(iii) Capital Work –In –progress		1,39,80,242	-	-	-	-	-
(b) Non current Investment	9	15,04,00,000	-	2,87,12,970	2,87,12,970	2,87,12,970	2,87,12,970
(c) Long - Term loans and advances	10	71,43,68,344	79,37,68,419	1,10,92,338	45,22,670	10,52,86,474	9,30,56,209
(d) Other Non Current Assets	11	-	-	-	-	-	6,51,500
		88,25,41,713	79,37,68,419	3,98,05,308	3,32,35,640	13,39,99,444	12,24,20,679
2 Current Assets							
(a) Current Investment		-	-	-	-	-	-
(b) Inventories		-	-	-	-	-	-
(c) Trade receivable	12	40,32,000	40,32,000	-	-	-	-
(d) Cash and Cash equivalents							
	13	27,37,309	53,43,78,198	2,66,693	7,32,280	1,70,765	82,736
(e) Short term loans and advances	14	28,60,15,089	10,54,71,343	55,30,31,651	55,89,16,754	4,34,02,781	1,34,42,095
		29,27,84,398	64,38,81,541	55,32,98,344	55,96,49,034	4,35,73,546	1,35,24,831
Total		1,17,53,26,111	1,43,76,49,960	59,31,03,652	59,28,84,674	17,75,72,990	13,59,45,510

See accompanying Note (1 to 21) which are integral part of Restated Financial Statements
As per our Report on Restated Financials attached

For **AVK & Associates**
Chartered Accountants
Firm Reg No-002638N

For **Divyank Khullar & Associates**
Chartered Accountants
Firm Registration No.: 025755N

For and on behalf of the board
Capital India Finance Limited

(CA Ashwani Kumar Relan)
Partner
Membership No. 088309

Divyank Khullar
(Proprietor)
Membership No.: 528399

Keshav Porwal
Managing Director
DIN: 06706341

Amit Sahai Kulshreshtha
Director
DIN: 07869849

Capital India Finance Limited (Formerly known as Bhilwara Tex-Fin Limited)
Annexure II - Restated Standalone Summary Statement of Profit and Loss

Amount in Rs

Particulars	No te No.	For the period ended	For the year ended				
			31st October 2017	31st March 2017	31st March 2016	31st March 2015	31st March 2014
Revenue from Operations	15		9,36,93,948	8,73,15,903	7,53,70,993	4,38,60,331	1,52,78,942
Less : Excise Duty/ Service Tax			-	-	-	-	-
			9,36,93,948	8,73,15,903	7,53,70,993	4,38,60,331	1,52,78,942
Other Income	16		-	5,05,558	60,156	534	93,917
Total Revenue			9,36,93,948	8,78,21,461	7,54,31,149	4,38,60,865	1,53,72,859
Expenses :							
Employee benefits expense	17		24,27,028	13,64,059	11,42,341	1,62,000	71,000
Finance Costs	18		6,78,25,680	7,97,84,754	7,06,02,979	4,03,63,940	1,36,48,397
Depreciation and amortization expense			-	-	-	-	-
Other expense	19		23,32,126	22,18,526	22,31,636	19,95,433	9,15,949
Total Expenses			7,25,84,834	8,33,67,339	7,39,76,956	4,25,21,373	1,46,35,346
Profit before exceptional and extraordinary items and tax			2,11,09,114	44,54,122	14,54,193	13,39,492	7,37,513
Exceptional Items			-	-	-	-	-
Profit before extraordinary items and tax			2,11,09,114	44,54,122	14,54,193	13,39,492	7,37,513
Extraordinary items			-	-	-	-	-
Profit before tax			2,11,09,114	44,54,122	14,54,193	13,39,492	7,37,513
Tax expense:							
(1) Income Tax provision pertaining to earlier Assessment year	-		-	2,75,666	(7,173)	19,484	(1,026)
(2) Current Tax			-	18,26,531	6,39,038	2,55,240	1,40,533
Total Tax expenses			-	21,02,197	6,31,865	2,74,724	1,39,507
Profit/(Loss) for the Year			2,11,09,114	23,51,925	8,22,328	10,64,768	5,98,006
APPROPRIATION							
Amount T/F to Special Reserve Fund			-	-	-	-	1,19,601
Profit/Loss after Appropriation			2,11,09,114	23,51,925	8,22,328	10,64,768	4,78,405

See accompanying Note (1 to 17) which are integral part of Restated Financial Statements

As per our Report on Restated Financials attached

For **AVK & Associates**
Chartered Accountants
Firm Reg No-002638N

For **Divyank Khullar & Associates**
Chartered Accountants
Firm Registration No.: 025755N

For and on behalf of the board
Capital India Finance Limited

(CA Ashwani Kumar Relan)
Partner
Membership No. 088309

Divyank Khullar
(Proprietor)
Membership No.: 528399

Keshav Porwal
Managing Director
DIN: 06706341

Amit Sahai Kulshreshtha
Director
DIN: 07869849

Capital India Finance Limited (Formerly known as Bhilwara Tex-Fin Limited)
Annexure III - Restated Standalone Summary Statement of Cash Flows

Amount in Rs

Particulars	For the period ended		For The Year Ended March 31st,			
	31st October 2017	2017	2016	2015	2014	2013
CASH FLOW FROM OPERATING ACTIVITY						
Net Profit before Tax and Extraordinary items	2,11,09,114	44,54,122	14,54,193	13,39,492	7,37,513	7,98,665
Adjusted for :						
Provision for Standard asset / Balances w/off	-	14,57,515	16,59,095	13,97,150	5,73,500	-
Depreciation	-	-	-	-	-	-
Interest on Income Tax Refund	-	(5,05,024)	(53,442)	-	(15,383)	-
Bad debts	-	-	-	-	-	-
Loss / (Profit) on sale of Fixed Assets	-	-	-	-	-	-
Loss / (Profit) on sale of Investments	-	-	-	-	-	-
Exceptional items	-	-	-	-	-	-
Operating Profit before Working Capital Changes	2,11,09,114	54,06,613	30,59,846	27,36,642	12,95,630	7,98,665
Adjusted for:						
Increase in Trade and Other Receivables	-	(40,32,000)	-	-	-	-
(Increase) / Decrease in Loan and Advances	(10,11,43,671)	(33,74,39,692)	58,28,425	(41,11,57,739)	(4,17,60,242)	(3,26,93,809)
(Increase) / Decrease in Inventories	-	-	-	-	-	-
Increase/ (Decrease) in Current Liability & Provisions	6,75,67,037	(5,36,67,848)	4,04,07,705	44,50,520	1,28,70,453	67,86,350
Increase/ (Decrease) in Trade Payables & Other Liabilities	-	-	-	-	-	-
Income Tax Refund Received	-	1,04,27,418	7,35,330	-	2,20,500	-
Direct Taxes paid	-	(87,68,419)	(75,37,102)	(35,55,236)	(7,38,312)	(1,52,186)
Cash Generated from/(used in) Operating Activities	1,24,67,520)	(38,80,73,928)	4,24,94,204	(40,75,25,813)	(2,81,11,971)	(2,52,60,980)
CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of Fixed Assets/ Capital work in progress	(1,77,73,369)	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-
Purchase of Non Current Investment	(15,04,00,000)	-	-	-	-	-
Sale of Non Current Investments	-	2,87,12,970	-	-	-	-
Net Purchase of Current Investments	-	-	-	-	-	-
Interest /Other Income Received	-	-	-	-	-	-
Net Cash from/(used in) Investing Activity	(16,81,73,369)	2,87,12,970	-	-	-	-
CASH FLOW FROM FINANCIAL ACTIVITIES						
Net Proceeds from Long Term Borrowings	(38,50,00,000)	89,34,72,463	(4,29,59,791)	40,80,87,328	2,82,00,000	2,50,00,000
Net Proceeds from Short Term Borrowings	3,40,00,000	-	-	-	-	-
Proceeds from Issue of Share Capital	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-
Interest Paid	-	-	-	-	-	-
Net Cash from/(used in) Financing Activities	(35,10,00,000)	89,34,72,463	(4,29,59,791)	40,80,87,328	2,82,00,000	2,50,00,000
Net Increase in Cash and Cash Equivalents (A+B+C)	(53,16,40,889)	53,41,11,505	(4,65,587)	5,61,515	88,029	(2,60,980)
Opening Balance of Cash and Cash	53,43,78,198	2,66,693	7,32,280	1,70,765	82,736	3,43,716

Equivalents						
Closing Balance of Cash and Cash Equivalents	27,37,309	53,43,78,198	2,66,693	7,32,280	1,70,765	82,736

As per our Report on Restated Financials attached

For **AVK & Associates**
Chartered Accountants
Firm Reg No-002638N

For **Divyank Khullar & Associates**
Chartered Accountants
Firm Registration No.: 025755N

For and on behalf of the board
Capital India Finance Limited

(CA Ashwani Kumar Relan)
Partner
Membership No. 088309

Divyank Khullar
(Proprietor)
Membership No.: 528399

Keshav Porwal
Managing Director
DIN: 06706341

Amit Sahai Kulshreshtha
Director
DIN: 07869849

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

Annexure-IV. Restated Standalone Statement of Significant Accounting Policies -

1. Corporate Information :-

Capital India Finance Limited (Formerly known as Bhilwara Tex-Fin Limited) (“the Company”) was incorporated on November 16, 1994 and obtained the certificate for Commencement of Business on November 22, 1994.

2. Significant Accounting Policies and Notes to Accounts

2.1 BASIS OF ACCOUNTING

These Financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. The financial statements are prepared in accordance with the accounting standards notified by the Central Government, in terms of section 133 of the Companies Act, 2013 read with Rule 7 and guidelines issued by the Securities and Exchange Board of India (SEBI) and the guidelines issued by the Reserve Bank of India (RBI) as applicable to a Non-Banking Financial Company (‘NBFC’). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2.2 USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting periods. Difference between the actual results and estimates are recognized in the periods in which the results are known materialized.

2.3 REVENUE RECOGNITION

- a) Interest income is recognized on accrual basis except in case of non-performing assets where it is recognized upon realization as per RBI Guidelines.
- b) Penal interest is recognized as income on realization.
- c) Dividend income is accounted on an accrual basis when the company’s right to receive the dividend is established.

2.4 INVESTMENTS

Investment is long term in nature and is valued at cost, Cost includes all the incidental expenses incurred for acquiring the Investments.

2.5 FIXED ASSETS

Fixed Assets are stated at cost, net of cenvat. The cost comprises the purchase price and any other attributable cost of bringing the assets to its working condition for its intended use

2.6 Earning Per Share

Basic Earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit/loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.7 TAXATION

- i) Current Tax: Provision for current tax is made on the estimated taxable income at the rate applicable to the relevant assessment year.
- ii) Minimum Alternate Tax: The Income Tax liability as per the normal provisions of the Income Tax Act, 1961 is higher than the tax payable as per section 115JB (Minimum Alternate Tax), therefore tax is provided as per normal provisions of the Income Tax Act, 1961.

- iii) **Deferred Tax:** In accordance with the Accounting Standard, the deferred tax for the timing difference is measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance sheet date.

Deferred tax assets arising from timing difference are recognized only on the consideration of prudence.

2.8 Accounting policies not specifically referred to otherwise are consistent and in accordance with generally accepted accounting principles.

2.9 EMPLOYEE BENEFITS

Short Term Employee Benefits are recognized in the period in which employees services are rendered.

Contributions towards provident fund are recognized as expense. Provident fund contributions in respect of all employees are made to Provident fund Authorities, as applicable.

Liability towards Gratuity covering eligible employees is provided for in the books.

2.10 Contingent Liability is NIL.

2.11 Company does not have any employee eligible for gratuity.

2.12 Debit balances of debtors are subjected to confirmation and reconciliation from respective parties. The final adjustment, if any, in the accounts of parties shall be known only after confirmation / reconciliation, the amount of which could not be ascertained.

2.13 Remuneration and perquisites to the directors is Rs Nil.

2.14 Particulars in respect to Earning per share is calculated as follows:

Particulars	Period ended 31st October, 2017	2016-17	2015-16	2014-15	2013-14	2012-13
Profit/loss after taxation as per Profit and Loss Account	2,11,09,114	23,51,925	8,22,328	10,64,768	5,98,006	6,46,479
Number of Equity shares outstanding	35,02,700	35,02,700	35,02,700	35,02,700	35,02,700	35,02,700
Basic and diluted Earning per Shares (in Rs) (Face Value of Rs 10 per share)	6.03	0.67	0.23	0.30	0.17	0.18

2.15 There are certain parties to whom advances in the nature of loans have been given by the company. As per management, principal and interest thereon is recoverable at a later date as per the stipulations made with respective parties. As such, interest income is accounted for yearly basis, but their recovery is deferred to a later date.

2.16 Segment Reporting : The Company operates in one segment only namely Finance, investment and related consultancy. Therefore information about segment reporting in line with AS-17 of ICAI has not been given.

2.17 Particulars in respects of opening Stocks , Purchases, Sales and Closing Stocks

Particulars	Period ended 31st October, 2017	2016-17	2015-16	2014-15	2013-14	2012-13
Opening Stock of Shares	Nil	Nil	Nil	Nil	Nil	Nil
Purchases	Nil	Nil	Nil	Nil	Nil	Nil
Sales	Nil	Nil	Nil	Nil	Nil	Nil
Closing Stock	Nil	Nil	Nil	Nil	Nil	Nil

2.18 CIF Value of Import of Raw Materials Components, Spare parts & Capital goods : Nil

- a) Expenditure in Foreign Currency : Nil
- b) Remittance in Foreign Currency : Nil
- c) Earning in Foreign Currency : Nil

2.19 Prudential Norms of the Reserve bank of India (RBI)

The Prudential Norms of the RBI require the company to derecognize certain income and make provisions for non-performing assets.

In compliance with Guidelines prescribed by Reserve Bank of India for NBFCs, the Company has for the year ended 31.3.2017

- a) Provided 0.35% (Previous year 0.30%) of Standard Assets Amounting to Rs 31,16,610/- (Previous year Rs.16,59,095/-).
- b) Appropriated 20% of the Net Profit Rs. 4,70,385/- (Previous year Rs.1,64,466/-) to Special Reserve fund.
- c) Break up of other “Provisions and Contingencies” have shown under the head expenditure in Profit & Loss Account (in Rs.)

Particulars	Period ended 31st October, 2017	2016-17	2015-16	2014-15	2013-14	2012-13
Provision for depreciation on Investment	Nil	Nil	Nil	Nil	Nil	Nil
Provision towards Non-performing Assets	Nil	Nil	Nil	Nil	Nil	Nil
Provision made towards Income Tax	Nil	18,26,531	6,39,038	2,55,240	1,40,533	1,52,186
Other Provisions and Contingencies	Nil	Nil	Nil	Nil	Nil	Nil
Provision for Standard Assets 0.35% (Previous year 0.30%)	Nil	14,57,515	2,61,945	13,97,150	Nil	Nil

2.20 Short Term Loans and Advances include Rs NIL due from a Director.

2.21 The company has no amounts due to suppliers under The Micro Small and Medium Enterprises Development Act, 2006 as at 31st March 2017.

2.22 There are no amounts due and outstanding to be credited to Investor Education & Protection fund as at 31st March, 2017.

2.23 Balance sheet of non-deposit taking non-banking financial company:

Particulars	31st October, 2017		31st March, 2017		31st March, 2016		31st March, 2015		31st March, 2014		31st March, 2013	
Liabilities side :												
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
	<u>Outstanding</u>	<u>Overdue</u>	<u>Outstanding</u>	<u>Overdue</u>	<u>Outstanding</u>	<u>Overdue</u>	<u>Outstanding</u>	<u>Overdue</u>	<u>Outstanding</u>	<u>Overdue</u>	<u>Outstanding</u>	<u>Overdue</u>
(a) Debentures: - Secured	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
-Unsecured	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(other than falling within the meaning of public deposits*)												
(b) Deferred Credits	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(c) Term Loans	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	11,82,00,000	9,00,00,000	9,00,00,000	6,50,00,000
(d) Inter-corporate loans and borrowing	96,32,92,981	NIL	1,39,09,05,394	NIL	54,72,62,082	NIL	52,47,27,537	NIL	NIL	NIL	NIL	NIL
(e) Commercial Paper	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(f) Other Loans	14,44,10,599	NIL	NIL	NIL	NIL	NIL	2,70,42,926	NIL	NIL	78,000	78,000	78,000
* Please see Note 1 below												
Assets side :												
	Amount outstanding		Amount outstanding		Amount outstanding		Amount outstanding		Amount outstanding		Amount outstanding	
(2) Break-up of Loans and Advances including bills receivables [other than those included iii (4) below]:												
(a) Secured	Nil		Nil		Nil		Nil		Nil		Nil	
(b) Unsecured	93,71,87,060		89,04,59,903		55,30,31,651		55,88,60,076		14,77,02,337		10,59,42,095	
(3) Break up of Leased Assets and stock on hire and other Assets counting towards AFC activities.												
(i) Lease assets including lease rentals under sundry debtors :												
(a) Financial lease	Nil		Nil		Nil		Nil		Nil		Nil	
(b) Operating lease	Nil		Nil		Nil		Nil		Nil		Nil	
(ii) Stock on hire including hire charges under sundry debtors:												
(a) Assets on hire	Nil		Nil		Nil		Nil		Nil		Nil	
(b) Repossessed Assets	Nil		Nil		Nil		Nil		Nil		Nil	
(iii) Other loans towards AFC activities												
(a) Loans where assets have been repossessed	Nil		Nil		Nil		Nil		Nil		Nil	
(b) Loans other than (a) above	Nil		Nil		Nil		Nil		Nil		Nil	

(4) Break-up of Investments :												
Current Investments :												
1. Quoted												
(i) Shares :(a) Equity	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Preference	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(iii) Units of mutual funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(iv) Government Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(v) Others (Please specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Unquoted :												
(i) Shares :(a) Equity	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Preference	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(iii) Units of mutual funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(iv) Government Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(v) Others (Please specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Long Term Investments :												
1. Quoted :												
(i) Shares :(a) Equity	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Preference	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(iii) Units of mutual funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(iv) Government Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(v) Others (Please specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Unquoted :												
(i) Shares :(a) Equity	15,04,00,000	Nil	2,87,12,970	2,87,12,970	2,87,12,970	2,87,12,970	2,87,12,970	2,87,12,970	2,87,12,970	2,87,12,970	2,87,12,970	2,87,12,970
(b) Preference	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(iii) Units of mutual funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(iv) Government Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(v) Others (Please specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(5) Borrower group-wise classification of all lease assets, stock-on-hire and loans and advances : Please see Note 2 below												
Category	Amount net of Provisions		Amount net of Provisions		Amount net of Provisions		Amount net of Provisions		Amount net of Provisions		Amount net of Provisions	
	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
1. Related Parties **												
(a) Subsidiaries	Nil	14,95,825	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) Other related parties	Nil	3,08,57,940	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Other than related parties	Nil	90,48,33,295	Nil	89,04,59,903	Nil	55,30,31,651	Nil	55,88,60,076	Nil	14,77,02,337	Nil	10,59,42,095

Total	Nil	93,71,87,060	Nil	89,04,59,903	Nil	55,30,31,651	Nil	55,88,60,076	Nil	14,77,02,337	Nil	10,59,42,095
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(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):												
Please see note 3 below												
Category	Mark et Value / Break up or fair value or NAV	Book Valu e (Net of Prov ision)	Mark et Value / Break up or fair value or NAV	Book Valu e (Net of Prov ision)	Mark et Value / Break up or fair value or NAV	Book Valu e (Net of Prov ision)	Mark et Value / Break up or fair value or NAV	Book Valu e (Net of Prov ision)	Mark et Value / Break up or fair value or NAV	Book Valu e (Net of Prov ision)	Mark et Value / Break up or fair value or NAV	Book Valu e (Net of Prov ision)
I. Related Parties **												
(a) Subsidiaries	15,04,00,000	15,04,00,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Other than related parties	Nil	Nil	Nil	Nil	2,87,12,970	2,87,12,970	2,87,12,970	2,87,12,970	2,87,12,970	2,87,12,970	2,87,12,970	2,87,12,970
Total	Nil	Nil	Nil	Nil	2,87,12,970	2,87,12,970	2,87,12,970	2,87,12,970	2,87,12,970	2,87,12,970	2,87,12,970	2,87,12,970

** As per Accounting Standard of ICAI (Please see Note 3)

(7) Other Information						
Particulars	Amount	Amount	Amount	Amount	Amount	Amount
(i) Gross Non-Performing Assets						
(a) Related parties	Nil	Nil	Nil	Nil	Nil	Nil
(b) Other than related parties	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Net Non-Performing Assets						
(a) Related parties	Nil	Nil	Nil	Nil	Nil	Nil
(b) Other than related parties	Nil	Nil	Nil	Nil	Nil	Nil
(iii) Assets acquired in satisfaction of debt	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- 1) As defined in Paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 as amended from time to time.
- 2) Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007 as amended from time to time.
- 3) All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (4) above.

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

Restatement Standalone Statement of Notes to A/cs

3. Restated Detail of Share Capital

	31 October 2017		31 March 2017		31 March 2016		31 March 2015		31 March 2014		31 March 2013	
	Num ber	Amount (Rs)	Num ber	Amount (Rs)	Num ber	Amount (Rs)	Num ber	Amount (Rs)	Num ber	Amount (Rs)	Num ber	Amount (Rs)
Share capital												
Authorised share capital												
Equity shares of Rs. 10 each	40,00,000	4,00,00,000	40,00,000	4,00,00,000	40,00,000	4,00,00,000	40,00,000	4,00,00,000	40,00,000	4,00,00,000	40,00,000	4,00,00,000
Issued, subscribed and fully paid up												
Equity shares of Rs. 10 each	35,02,700	3,50,27,000	35,02,700	3,50,27,000	35,02,700	3,50,27,000	35,02,700	3,50,27,000	35,02,700	3,50,27,000	35,02,700	3,50,27,000
Total issues, subscribed and fully paid up share capital	35,02,700	3,50,27,000	35,02,700	3,50,27,000	35,02,700	3,50,27,000	35,02,700	3,50,27,000	35,02,700	3,50,27,000	35,02,700	3,50,27,000

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31 October 2017		31 March 2017		31 March 2016		31 March 2015		31 March 2014		31 March 2013	
	Num ber	Amount (Rs)	Num ber	Amount (Rs)	Num ber	Amount (Rs)	Num ber	Amount (Rs)	Num ber	Amount (Rs)	Num ber	Amount (Rs)
At the beginning of the year	3,502,700	35,027,000	3,502,700	35,027,000	3,502,700	35,027,000	3,502,700	35,027,000	3,502,700	35,027,000	3,502,700	35,027,000
Outstanding at the end of the year	3,502,700	35,027,000	3,502,700	35,027,000	3,502,700	35,027,000	3,502,700	35,027,000	3,502,700	35,027,000	3,502,700	35,027,000

Terms and rights attached to fully Paid up shares :

The Company has only one type of equity shares having Par value of Rs 10 each. All shares rank pari passu with respect to dividend, voting rights, and other terms. Each shareholder is entitled to one vote per share. The dividend proposed, if any by the Board of Directors subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The Repayment of equity share capital in the event of liquidation and buyback of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the company after distribution of all Preferential amounts, in proportion to their holdings.

b. Shares held by holding company

	31 October 2017		31 March 2017		31 March 2016		31 March 2015		31 March 2014		31 March 2013	
	Number	Amount (Rs)	Number	Amount (Rs)	Number	Amount (Rs)	Number	Amount (Rs)	Number	Amount (Rs)	Number	Amount (Rs)
Equity shares of Rs. 10 each	-	-	-	-	-	-	-	-	-	-	-	-

c. Shares in the Company held by each shareholder holding more than 5% shares

	31 October 2017		31 March 2017		31 March 2016		31 March 2015		31 March 2014		31 March 2013	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Archana Aggarwal	-	0.00%	-	0.00%	-	0.00%	-	0.00%	243,100	6.94%	243,100	6.94%
Sainik Mining and Allied Services Private Limited	1,467,800	41.90%	1,467,800	41.90%	1,467,800	41.90%	1,467,800	41.90%	1,467,800	41.90%	1,467,800	41.90%
Total	1,467,800	41.90%	1,467,800	41.90%	1,467,800	41.90%	1,467,800	41.90%	1,710,900	48.84%	1,710,900	48.84%

e. Aggregate no of shares issued for consideration other than cash during the 5 years immediately preceding the balance sheet date.

			31st March 2017	31st March 2016	31st March 2015	31st March 2014	31st March 2013
Equity share of Rs 10 each			-	-	-	-	-

4. Restated Reserve and Surplus

Reserves and surplus consist of following Reserves:

(Amount in Rs.)

	As at 31st October 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015	As at 31st March 2014	As at 31st March 2013
General Reserve						
Balance as per last financial statements	1,76,099	1,76,099	1,76,099	1,76,099	1,76,099	1,76,099
Add : Transfer during the year	-	-	-	-	-	-
Total General Reserve	1,76,099	1,76,099	1,76,099	1,76,099	1,76,099	1,76,099
Special Reserve Fund (RBI Norms)						
Balance as per last financial statements	16,82,691	12,12,306	10,47,840	8,34,886	7,15,285	5,85,989
Add : Transfer during the year	42,21,823	4,70,385	1,64,466	2,12,954	1,19,601	1,29,296
Total General Reserve	59,04,514	16,82,691	12,12,306	10,47,840	8,34,886	7,15,285
Surplus in the statement of profit and loss						
Balance as per last financial statements	26,46,488	7,64,948	(12,33,386)	(21,41,878)	(26,20,283)	(31,37,466)
Add : Profit for the year	2,11,09,114	23,51,925	8,22,328	10,64,768	4,78,405	5,17,183
Add : Provision for Standard Assets w/back	-	-	13,97,150	-	-	-
Add : Mat Credit Entitlement	-	-	(56,678)	56,678	-	-
	2,37,55,602	31,16,873	9,29,414	(10,20,432)	(21,41,878)	(26,20,283)

Less : Transfer to Special Reserve Fund (RBI Norms)	42,21,823	4,70,385	1,64,466	2,12,954	-	-
Net Surplus in the statement of profit and loss	1,95,33,779	26,46,488	7,64,948	(12,33,386)	(21,41,878)	(26,20,283)
Total Reserves and surplus	2,56,14,392	45,05,278	21,53,353	(9,447)	(11,30,893)	(17,28,899)

5. Restated Long Term Borrowings

(Amount in Rs.)

	As at 31st October 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015	As at 31st March 2014	As at 31st March 2013
Unsecured						
From Corporates (ICD)	85,50,00,000	1,20,00,00,000	-	-	11,82,00,000	9,00,00,000
From Others	13,68,00,000	17,68,00,000	-	-	-	78,000
	99,18,00,000	1,37,68,00,000	-	-	11,82,00,000	9,00,78,000

6. Restated Provisions

(Amount in Rs.)

	As at 31st October 2017		As at 31st March 2017		As at 31st March 2016		As at 31st March 2015		As at 31st March 2014		As at 31st March 2013	
	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term
For Income tax												
Assessment Year 2012-13	-	-	-	-	-	-	-	-	-	-	1,03,512	-
Assessment Year 2013-14	-	-	-	-	-	-	1,52,186	-	1,52,186	-	1,52,186	-
Assessment Year 2014-15	-	-	-	-	-	-	1,40,533	-	1,40,533	-	-	-
Assessment Year 2015-16	-	-	-	-	2,55,240	-	2,55,240	-	-	-	-	-
Assessment Year 2016-17	-	-	-	-	6,39,038	-	-	-	-	-	-	-
Assessment Year 2017-18	18,26,531	-	18,26,531	-	-	-	-	-	-	-	-	-
For Reserve Bank of India (Pursuant to RBI Norms)												
Standard Assets (0.35%)	31,16,610	-	31,16,610	-	16,59,095	-	13,97,150	-	-	-	-	-
	49,43,141	-	49,43,141	-	25,53,373	-	19,45,109	-	2,92,719	-	2,55,698	-

7. Restated Short term Borrowing**(Amount in Rs.)**

Restated Short term Borrowing						
	As at	As at	As at	As at	As at	As at
	31st October 2017	31st March 2017	31st March 2016	31st March 2015	31st March 2014	31st March 2013
From Corporates (ICD)	3,40,00,000	-	48,33,27,537	50,12,87,328	-	-
From Others	-	-	-	2,50,00,000	-	-
	3,40,00,000	-	48,33,27,537	52,62,87,328	-	-

8. Restated Other current liabilities**(Amount in Rs.)**

	As at		As at		As at		As at		As at		As at	
	31st October 2017		31st March 2017		31st March 2016		31st March 2015		31st March 2014		31st March 2013	
	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term
Statutory Dues Payable	-	7,03,666	-	21,50,287	-	59,88,189	-	40,46,630	-	14,90,190	-	7,75,444
Salary Payable	-	13,34,332	-	-	-	14,800	-	-	-	-	-	-
Expense Payable	-	-	-	-	-	-	-	-	-	42,448	-	22,448
Haribhoomi Communication Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	11,510
Innovative Communications	-	-	-	-	-	-	-	-	-	-	-	7,907
Professional Charges Payable	-	-	-	-	-	-	-	-	-	-	-	2,750
Audit Fees Payable	-	-	-	1,18,860	-	1,04,855	-	1,04,919	-	50,562	-	50,562
Interest Payable	-	8,19,03,580	-	1,41,05,394	-	6,39,34,545	-	2,54,83,135	-	2,36,00,964	-	1,14,43,090
	-	8,39,41,578	-	1,63,74,541	-	7,00,42,389	-	2,96,34,684	-	2,51,84,164	-	1,23,13,711

9. Restated Non current Investment
(Amount in Rs.)

	As at		As at		As at		As at		As at		As at	
	31st October 2017		31st March 2017		31st March 2016		31st March 2015		31st March 2014		31st March 2013	
	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term
Trade Investment - Unquoted												
Investment in equity instruments:												
-In subsidiary companies												
10,000 equity shares @ Rs 10/- per share of Capital India Asset Management Pvt Ltd	1,00,000	-	-	-	-	-	-	-	-	-	-	-
10,000 equity shares @ Rs 10/- per share of CIFL Holding Pvt Ltd	1,00,000	-	-	-	-	-	-	-	-	-	-	-
10,000 equity shares @ 10/- per share of CIFL Investment Manager Pvt Ltd	1,00,000	-	-	-	-	-	-	-	-	-	-	-
15,000,000 equity shares @ Rs 10/- per share of Capital India Home Loan Ltd	15,00,00,000	-	-	-	-	-	-	-	-	-	-	-
10000 equity shares @ Rs 10/-per share of Capital India Wealth Management Pvt Ltd	1,00,000	-	-	-	-	-	-	-	-	-	-	-
Other Investment												
1067 @ Rs.26,910/- per share of Sainik Mining and Allied Services Limited	-	-	-	-	2,87,12,970	-	2,87,12,970	-	2,87,12,970	-	2,87,12,970	-
	15,04,00,000	-	-	-	2,87,12,970	-	2,87,12,970	-	2,87,12,970	-	2,87,12,970	-

10. Restated Long Term Loans and advances**(Amount in Rs.)**

	As at 31st October 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015	As at 31st March 2014	As at 31st March 2013
Inter Corporate Deposits	70,00,00,000	78,50,00,000	-	-	10,42,99,556	9,25,00,000
TDS & Advance Tax						
AY 2011-12	-	-	-	-	8,152	7,124
AY 2012-13	-	-	-	-	11,332	3,19,963
AY 2013-14	-	-	-	2,29,122	2,29,122	2,29,122
AY 2014-15	-	-	-	7,38,312	7,38,312	-
AY 2015-16	-	-	35,55,236	35,55,236	-	-
AY 2016-17	-	-	75,37,102	-	-	-
AY 2017-18	78,25,900	87,68,419	-	-	-	-
AY 2018-19	65,42,444	-	-	-	-	-
	71,43,68,344	79,37,68,419	1,10,92,338	45,22,670	10,52,86,474	9,30,56,209

11. Restated Long Term Loans and advances**(Amount in Rs.)**

	As at 31st October 2017		As at 31st March 2017		As at 31st March 2016		As at 31st March 2015		As at 31st March 2014		As at 31st March 2013	
	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term
M/s S.L.Gupta	-	-	-	-	-	-	-	-	-	-	6,50,000	-
M/s Zuari Investment Security Deposit	-	-	-	-	-	-	-	-	-	-	1,500	-
	-	-	-	-	-	-	-	-	-	-	6,51,500	-

12. Restated Trade receivables**(Amount in Rs.)***(unsecured and considered good, unless otherwise stated)*

	As at 31st October 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015	As at 31st March 2014	As at 31st March 2013
Receivables outstanding for a period exceeding six months from the date they became due for payment	40,32,000	-	-	-	-	-

Other receivables	-	40,32,000	-	-	-	-
	40,32,000	40,32,000	-	-	-	-

13. Restated Cash and bank balances

(Amount in Rs.)

	As at 31st October 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015	As at 31st March 2014	As at 31st March 2013
Cash and cash equivalents						
Cash on hand	23,903	67,530	8,155	29,473	29,585	23,115
Balances with banks						
- in current accounts						
-ICICI Bank Ltd	24,08,320	50,18,01,821	2,40,197	6,84,466	1,22,839	35,441
-Canara Bank	-	-	-	-	-	5,839
-Yes Bank Ltd	3,05,086	3,25,08,847	18,341	18,341	18,341	18,341
	27,37,309	53,43,78,198	2,66,693	7,32,280	1,70,765	82,736

14. Restated Short Term Loans and advances

(Amount in Rs.)

	As at 31st October 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015	As at 31st March 2014	As at 31st March 2013
To related parties						
Inter Corporate Deposits	2,95,00,000	-	-	-	-	-
Interest Receivable	13,57,940	-	-	-	-	-
Other Advances	14,95,825	-	-	-	-	-
To others						
Inter Corporate Deposits	-	9,00,00,000	51,37,84,211	52,03,68,888	1,60,00,000	-
Interest Receivable	5,80,83,295	1,54,59,903	3,92,47,440	3,84,91,188	2,74,02,781	1,34,42,095
Other Advances	14,67,50,000	-	-	-	-	-
Advance to Staff	-	11,440	-	-	-	-
Mat Credit Entitlement	-	-	-	56,678	-	-
Balance with government authorities	2,88,092	-	-	-	-	-
Advance to Supplier	4,84,80,937	-	-	-	-	-
Prepaid Expenses	59,000	-	-	-	-	-
	28,60,15,089	10,54,71,343	55,30,31,651	55,89,16,754	4,34,02,781	1,34,42,095

15. Revenue from operations**(Amount in Rs.)**

	Period Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	31st October 2017	31st March 2017	31st March 2016	31st March 2015	31st March 2014	31st March 2013
Interest income	9,36,93,948	8,33,15,903	7,53,70,993	4,38,60,331	1,52,78,942	87,71,217
Transaction structuring fees	-	8,00,000	-	-	-	-
Processing fees	-	32,00,000	-	-	-	-
	9,36,93,948	8,73,15,903	7,53,70,993	4,38,60,331	1,52,78,942	87,71,217

16. Other Income**(Amount in Rs.)**

	Period Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	31st October 2017	31st March 2017	31st March 2016	31st March 2015	31st March 2014	31st March 2013
Interest on Income Tax Refund	-	5,05,024	53,442	-	15,383	11,223
Dividend Income	-	534	534	534	534	534
Credit balance written off	-	-	6,180	-	78,000	-
	-	5,05,558	60,156	534	93,917	11,757

17. Employee benefit expense**(Amount in Rs.)**

	Period Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	31st October 2017	31st March 2017	31st March 2016	31st March 2015	31st March 2014	31st March 2013
Salaries, wages and bonus	24,26,778	13,63,050	11,42,341	1,62,000	62,400	26,000
Staff Welfare	250	1,009	-	-	8,600	9,000
	24,27,028	13,64,059	11,42,341	1,62,000	71,000	35,000

18. Finance costs**(Amount in Rs.)**

	Period Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	31st October 2017	31st March 2017	31st March 2016	31st March 2015	31st March 2014	31st March 2013
Interest expenses	6,78,24,698	7,97,82,772	7,06,02,382	4,03,63,771	1,36,42,446	76,98,257

Bank charges	982	1,982	597	169	5,951	449
	6,78,25,680	7,97,84,754	7,06,02,979	4,03,63,940	1,36,48,397	76,98,706

19. Other expenses

(Amount in Rs.)

	Period Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	31st October 2017	31st March 2017	31st March 2016	31st March 2015	31st March 2014	31st March 2013
Auditor Fees (refer note 20)	-	66,976	63,979	58,989	56,180	56,180
Conveyance	2,38,575	44,452	6,200	29,780	1,225	890
Printing & Stationery	2,48,724	47,822	1,150	15,970	165	10,950
Advertisement	1,39,430	1,03,673	78,594	97,740	57,042	93,972
Listing Fee	2,97,220	2,56,480	2,45,330	1,26,966	30,336	30,486
Professional Charges	2,03,234	63,348	65,354	71,180	11,500	15,250
Postage & Courier Charges	25,775	19,894	5,980	6,269	2,398	1,632
General Expenses	28,900	54,739	13,550	1,21,413	98,290	23,424
Diwali Expenses	4,200	-	-	-	-	-
Telephone Expense	4,474	7,627	5,095	12,000	-	-
Rates Fee & Taxes	80,594	24,644	34,809	57,976	7,313	2,819
Internal Audit Fees	-	71,356	52,500	-	-	-
Debit Balance w/off	-	-	-	-	6,51,500	-
Provisions for Standard Assets (RBI Norms)	-	14,57,515	16,59,095	13,97,150	-	-
Donations	-	-	-	-	-	15,000
Membership Fees	10,61,000	-	-	-	-	-
	23,32,126	22,18,526	22,31,636	19,95,433	9,15,949	2,50,603

20. Payment of Auditors Includes:

(Amount in Rs.)

	Period Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	31st October 2017	31st March 2017	31st March 2016	31st March 2015	31st March 2014	31st March 2013
Statutory & Tax Audit Fee	-	58,000	55,125	52,500	50,000	50,000
Service Tax	-	8,700	7,993	6,489	6,180	6,180
Other	-	276	861	-	-	-
	-	66,976	63,979	58,989	56,180	56,180

21. Earnings Per Share
(Amount in Rs.)

	Period Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	31st October 2017	31st March 2017	31st March 2016	31st March 2015	31st March 2014	31st March 2013
Net Profit as per Statement of Profit and Loss	2,11,09,114	23,51,925	8,22,328	10,64,768	5,98,006	6,46,479
Number of equity shares of Rs. 10 each at the beginning of the year	35,02,700	35,02,700	35,02,700	35,02,700	35,02,700	35,02,700
Number of equity shares of Rs. 10 each at the end of the year	35,02,700	35,02,700	35,02,700	35,02,700	35,02,700	35,02,700
Weighted average number of equity shares of Rs. 10 each	35,02,700	35,02,700	35,02,700	35,02,700	35,02,700	35,02,700
Basic and diluted earnings per share (in Rs.) per share of Rs. 10 each	6.03	0.67	0.23	0.30	0.17	0.18

**Related party disclosure in accordance with the Accounting Standard 18 “Related Party Disclosures”
Detail of Related Parties During the Period**

Particulars	As at 31st October 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015	As at 31st March 2014	As at 31st March 2013
A Enterprise where control exist		NIL	NIL	NIL	NIL	NIL
Subsidiaries	Capital India Asset Management Private Limited CIFL Holdings Private Limited CIFL Investment Manager Private Limited Capital India Home Loans Limited Capital India Wealth Management Private Limited	NIL	NIL	NIL		
Other Entities under control of company:	NIL	NIL	NIL	NIL		
B Other related party with whom the company had transaction etc.						
(i) Associates and others:						
(a) Sainik Mining and allied Service limited	Having significant Influence	Having significant Influence	Having significant Influence	Having significant Influence		
(b) Sainik			Director	Director		

	Finance & Industries Limited			Interested	Interested		
	(c) Spectrum Coal and Power Limited			Director Interested	Director Interested		
(ii)	Joint Venture:	NIL	NIL	NIL	NIL		
(iii)	Key Management:				NIL		
	Sukomal Bhunya	C.F.O	C.F.O	C.F.O			
	Rahul Jogi			Company Secretary			
	Mansi Prakash		Company Secretary				
	Munesh Kumar Gaur			Company Secretary			
	Archana Aggarwal	Company Secretary	Company Secretary				

Related party disclosure in accordance with the Accounting Standard 18 “Related Party Disclosures”

Transactions (Amount in Rs)	As at 31st October, 2017				As at 31st March 2017			As at 31st March 2016			As at 31st March 2015			As at 31st March 2014			As at 31st March 2013		
	Sub sidi arie s	Ass ocia tes & Oth ers	Key Manag ement	Total	Asso ciate s & Oth ers	Key Mana geme nt	Total	As soc iat es & Ot her s	Key Manag ement	Total	Assoc iates & Other s	Key Man agem ent	Total	Asso ciate s & Oth ers	Key Mana geme nt	To tal	Assoc iates & Other s	Key Man agem ent	Total
Salary Paid																			
Sukomal Bhunya	-	-	5,48,951	5,48,951	-	9,22,984	9,22,984	-	7,86,541	7,86,541	-	-	-		NIL			NIL	
Mansi Prakash	-	-	-	-	-	72,000	72,000	-	-	-	-	-	-						
Rahul Jogi	-	-	-	-	-	-	-	-	96,000	96,000	-	-	-						
Munesh Kumar Gaur	-	-	-	-	-	-	-	-	48,000	48,000	-	-	-						
Archana Aggarwal	-	-	84,000	84,000	-	72,000	72,000	-	-	-	-	-	-						
	-	-	6,32,951	6,32,951	-	10,66,984	10,66,984	-	9,30,541	9,30,541	-	-	-						
Advance provided																			
Capital India Asset Management Private Limited	3,335	-	-	3,335	-	-	-	-	-	-	-	-	-						
CIFL Holdings Private Limited	3,335	-	-	3,335	-	-	-	-	-	-	-	-	-						
CIFL Investment Manager Private Limited	3,335	-	-	3,335	-	-	-	-	-	-	-	-	-						
Capital India Home Loans Limited	14,82,485	-	-	14,82,485	-	-	-	-	-	-	-	-	-						
Capital India Wealth Management Private Limited	3,335	-	-	3,335	-	-	-	-	-	-	-	-	-						
	14,95,825	-	-	14,95,825	-	-	-	-	-	-	-	-	-						
Finance Provided																			
Sainik Mining and allied Service limited	-	3,00,00,000	-	3,00,00,000	2,40,00,000	-	2,40,00,000	-	-	-	-	-	-						

	-	3,00, 00,00 0	-	3,00,00, 000	2,40, 00,00 0	-	2,40,00 ,000	-	-	-	-	-	-						
Finance Received																			
Spectrum Coal & Power Limited	-	-	-	-	-	-	-	-	-	-	43,00, 00,000	-	43,00,00 ,000						
Sainik Finance & Industries Limited	-	-	-	-	-	-	-	-	-	-	4,00,0 0,000	-	4,00,00, 000						
	-	-	-	-	-	-	-	-	-	-	47,00, 00,000	-	47,00,00 ,000						
Repayment of Finance Received																			
Spectrum Coal & Power Limited	-	-	-	-	-	-	-	-	-	-	43,00, 00,000	-	43,00,00 ,000						
Sainik Finance & Industries Limited	-	-	-	-	-	-	-	-	-	-	1,60,0 0,000	-	1,60,00, 000						
	-	-	-	-	-	-	-	-	-	-	44,60, 00,000	-	44,60,00 ,000						
Refund of Finance Provided																			
Sainik Mining and allied Service limited	-	5,00, 000	-	5,00,00 0	62,42 ,57,9 03	-	62,42,5 7,903	7,8 6,6 0,1 38	-	7,86,60,1 38	-	-	-						
	-	5,00, 000	-	5,00,00 0	62,42 ,57,9 03	-	62,42,5 7,903	7,8 6,6 0,1 38	-	7,86,60,1 38	-	-	-						
Interest Received																			
Sainik Mining and allied Service limited	-	13,57 ,940	-	13,57,9 40	6,61, 95,16 0	-	6,61,95 ,160	7,4 1,8 6,0 90	-	7,41,86,0 90	-	-	-						
	-	13,57 ,940	-	13,57,9 40	6,61, 95,16 0	-	6,61,95 ,160	7,4 1,8 6,0 90	-	7,41,86,0 90	-	-	-						

Interest Paid																				
Spectrum Coal & Power Limited	-	-	-	-	-	-	-	-	-	-	1,13,76,438	-	1,13,76,438							
Sainik Finance & Industries Limited	-	-	-	-	-	-	-	-	-	-	2,14,29,509	-	2,14,29,509							
	-	-	-	-	-	-	-	-	-	-	3,28,05,947	-	3,28,05,947							

Particulars of balances in respect of related party transactions:

Particulars of balances in respect of Related party transactions:																			
Transactions	As at 31st October, 2017				As at 31st March 2017			As at 31st March 2016			As at 31st March 2015			As at 31st March 2014			As at 31st March 2013		
	Subsidiaries	Associates & Others	Key Management	Total	Associates & Others	Key Management	Total	Associates & Others	Key Management	Total	Associates & Others	Key Management	Total	Associates & Others	Key Management	Total	Associates & Others	Key Management	Total
Advance provided																			
Capital India Asset Management Private Limited	3,335	-	-	3,335	-	-	-	-	-	-	-	-	-		NIL			NIL	
CIFL Holdings Private Limited	3,335	-	-	3,335	-	-	-	-	-	-	-	-	-						
CIFL Investment Manager Private Limited	3,335	-	-	3,335	-	-	-	-	-	-	-	-	-						
Capital India Home Loans Limited	14,82,485	-	-	14,82,485	-	-	-	-	-	-	-	-	-						
Capital India Wealth Management Private Limited	3,335	-	-	3,335	-	-	-	-	-	-	-	-	-						
	14,95,825	-	-	14,95,825	-	-	-	-	-	-	-	-	-						
Finance Provided																			
Sainik Mining and allied Service limited	-	3,08,57,940	-	3,08,57,940	-	-	-	54,06,82,260	-	54,06,82,260	-	-	-						

	-	3,08,57,940	-	3,08,57,940	-	-	-	54,06,82,260	-	54,06,82,260	-	-	-					
Finance Received																		
Sainik Finance & Industries Limited	-	-	-	-	-	-	-	-	-	-	18,47,21,605	-	18,47,21,605					
	-	-	-	-	-	-	-	-	-	-	18,47,21,605	-	18,47,21,605					

(A) NOTES ON RECONCILIATION OF RESTATED PROFIT**(Amount in Rs.)**

Particulars	For the period ended	For the year ended March, 31				
		2017	2016	2015	2014	2013
	31st October, 2017					
Net Profit/Loss as per Audited Financial Statements	2,11,09,114	23,51,925	8,22,328	10,64,768	5,98,006	6,46,479
Adjustments to net profit/(loss) as per audited financial statements		-	-	-	-	-
a) Adjustments on account of change in Accounting Estimate						
Depreciation & Amortisation		-	-	-	-	-
b) Bad debts		-	-	-	-	-
c) Sundry Liabilities written back		-	-	-	-	-
d) Restatement of Taxes						
Tax Adjustments		-	-	-	-	-
Deferred Tax on Restatements		-	-	-	-	-
Profit as per Restated Standalone Financial Statements after Adjustments	2,11,09,114	23,51,925	8,22,328	10,64,768	5,98,006	6,46,479

(B) Reconciliation of Profit & Loss Account as on April 1, 2012**(Amount in Rs.)**

Particulars	As at 1st April 2012
Surplus in the statement of Profit & Loss as audited	4,39,715.00
Depreciation & Amortisation	-
Provision for doubtful debts	-

Bad debts	-
Liabilities Written back	-
Prior Period Expenses	-
Income Tax Adjustments	-
Defer Tax on restatement adjusted I retained earning	-
Surplus in the Statement of Profit & Loss as restated	4,39,715.00

ANNEXURE VII : Restated Standalone Summary Statement of Accounting Ratios

	Particulars	For the period ended	For the year ended March, 31				
		31st October, 2017	2017	2016	2015	2014	2013
A	Financial Stability Ratio						
i)	Current Ratio (CA/CL)	2.482	39.322	1.000	1.007	1.730	1.098
ii)	Debt to Equity Ratio (Total Debt/Equity)	16.916	34.827	13.000	15.029	3.487	2.705
B	Performance & Efficiency Ratios						
i)	Return on Equity (PAT/Equity)	34.810	5.949	2.212	3.041	1.764	1.941
ii)	Debtors Turnover Ratio (Gross Sales/Average Debtors)		-	-	-	-	-
iii)	Average Collection Period (in Days)		-	-	-	-	-
iv)	Inventory Turnover		-	-	-	-	-
v)	Inventory Holding period (in days)		-	-	-	-	-
vi)	Creditors Turnover		-	-	-	-	-
vii)	Average Payables Period (in days)		-	-	-	-	-

Annexure VIII: Restated Standalone Summary Statement of Capitalization

Particulars	For the period ended	For the year ended March, 31				
	31st October, 2017	2017	2016	2015	2014	2013
Borrowings:						
Long Term Borrowing	99,18,00,000	1,37,68,00,000	-	-	11,82,00,000	9,00,78,000
Short Term Borrowing	3,40,00,000	-	48,33,27,537	52,62,87,328	-	-
Total (A)	1,02,58,00,000	1,37,68,00,000	48,33,27,537	52,62,87,328	11,82,00,000	9,00,78,000
Shareholder's Fund:						
Equity Shareholder Fund	3,50,27,000	3,50,27,000	3,50,27,000	3,50,27,000	3,50,27,000	3,50,27,000
Reserve and Surplus	2,56,14,392	45,05,278	21,53,353	(9,447)	(11,30,893)	(17,28,899)
Total (B)	6,06,41,392	3,95,32,278	3,71,80,353	3,50,17,553	3,38,96,107	3,32,98,101
Debt/ Equity Ratio (A)/(B)	16.916	34.827	13.000	15.029	3.487	2.705

CONSOLIDATED FINANCIAL STATEMENTS

Report of the Independent Auditor on the Summary of Restated Consolidated Financial Statements

To,
The Board of Directors,
Capital India Finance Limited,
(Formerly known as Bhilwara Tex-Fin Limited)
2nd Floor, DLF Centre,
Sansad Marg, New Delhi-110001

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of Capital India Finance Limited (Formerly known as Bhilwara Tex-Fin Limited) (“the Company”) for the purpose of its inclusion in the offer letter (“Offer Letter”) prepared by the Company in connection with its proposed right issue (“Right issue”). Such financial information comprises of:

- (A) Financial Information as per Summary of Restated Consolidated Financial Statements; and
- (B) Other Financial Information which have been approved by the Board of Directors of the Company and prepared in accordance with the requirements of:
 - (a) Section 26(1)(b) of the Companies Act, 2013 (“The Act”) read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014; and
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (“SEBI Regulations”).

2. We have examined such financial information with regard to:

- (a) the terms of reference agreed with the Company vide Engagement letter dated 20.12.2017 relating to the work to be performed on such financial information, proposed to be included in the Offer Letter of the Company in connection with its proposed right issue; and
- (b) the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India.

3. Financial Information

The financial information referred to above, relating to profits/ losses, assets and liabilities and significant accounting policies of the Company is contained in the following annexures to this report (collectively referred to as the “Summary of Restated Consolidated Financial Statements”):

- (a) **Annexure I** containing the Restated Consolidated Balance sheet as at 31st October, 2017 (Note No. 3 to 13).
- (b) **Annexure II** containing the Restated Consolidated Statement of Profit and Loss for the Period ended 31st October, 2017 (Note No. 14 to 17).
- (c) **Annexure III** containing the Restated Consolidated Statement of Significant Accounting Policies (Note No. 2).

4. Other Financial Information

Other Financial Information relating to the Company which is based on the Summary of Restated Consolidated Financial Statements prepared by the Management and approved by Board of Directors, is attached in **Annexure IV** to **Annexure VI** to this report as listed hereunder:

- a) **Annexure IV**.– Restated Consolidated Summary Statement on the Adjustments to Audited Financial Statements
- b) **Annexure V** - Restated Consolidated Summary Statement of Accounting Ratios
- c) **Annexure VI** - Restated Consolidated Summary Statement of Capitalisation.

5. The Restated Summary Financial Statements do not contain all the disclosures required by the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 and /or as referred to in Section 133 of the Companies Act, 2013 applied in the preparation of the financial statements of the Company.

6. Management Responsibility on the Summary of Restated Consolidated Financial Statements and Other Financial Information

Management is responsible for the preparation of Summary of Restated Standalone Financial Statements and Other Financial Information relating to the Company in accordance with Section 26(1)(b) of the Act read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI Regulations.

7. Auditor's Responsibility

Our responsibility is to express an opinion on the Summary of Restated Consolidated Financial Statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagement to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

8. Opinion

In our opinion, the financial information of the Company as stated in Para 3 above and Other Financial Information as stated in Para 4 above, read with the Statement of Significant Accounting Policies enclosed in **Annexure III** to this report, after making such adjustments / restatements and regroupings as considered appropriate, have been prepared in accordance with Section 26(1)(b) of the Act read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI Regulations.

9. We did not perform audit tests for the purpose of expressing an opinion on individual balances or summaries of selected transactions, and accordingly, we express no such opinion thereon.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. This report is issued at the specific request of the Company for your information and inclusion in the Offer letter to be filed by the Company with SEBI and Stock Exchanges in connection with the Proposed Right issue of equity shares of the Company. This report may not be useful for any other purpose.

For **AVK & Associates**
Chartered Accountants
Firm Registration No-002638N

For **Divyank Khullar and Associates**
Chartered Accountants
Firm Registration No-025755N

(**CA Ashwani Kumar Relan**)
Partner
Membership No. 088309
Peer review Certificate No. - 008690 dated December 23, 2015
Place: New Delhi
Date:

(**CA Divyank Khullar**)
Proprietor
Membership No. 528399
Place: New Delhi
Date:

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

Annexure I : Restated Consolidated Balance Sheet as at 31st October, 2017

(All amounts are in Rupees, unless otherwise stated)

Particulars	Note No.	As at 31st October, 2017
EQUITY AND LIABILITIES		
1 Shareholders' fund		
(a) Share Capital	3	3,50,27,000
(b) Reserves and Surplus	4	2,56,14,392
		6,06,41,392
2 Non-Current Liabilities		
(a) Long-Term Borrowings	5	99,18,00,000
(b) Deferred Tax Liabilities (Net)		-
(c) Other Long Term Liabilities		-
(d) Long- Term Provisions	6	49,43,141
		99,67,43,141
3 Current Liabilities		
(a) Short Term Borrowings	5	3,40,00,000
(b) Trade Payables		-
(c) Other Current Liabilities	7	8,40,71,378
(d) Short Term Provision	6	-
		11,80,71,378
Total		1,17,54,55,911
ASSETS		
1 Non Current Assets		
(a) Fixed Assets		
(i) Tangible Assets	8	37,93,127
(ii) Intangible Assets	9	16,25,625
(iii) Capital Work –In –progress	10	1,39,80,242
(b) Non current Investment		-
(c) Long - Term loans and advances	11	71,43,68,344
(d) Other Non Current Assets		-
		73,37,67,338
2 Current Assets		
(a) Current Investment		-
(b) Inventories		-
(c) Trade receivable	12	40,32,000
(d) Cash and Cash equivalents	13	15,31,37,309
(e) Short term loans and advances	11	28,45,19,264
(f) Other current assets		-
		44,16,88,573
Total		1,17,54,55,911

As per our Report on Restated Financials attached

For **AVK & Associates**

Chartered Accountants

Firm Reg No-002638N

For **Divyank Khullar & Associates**

Chartered Accountants

Firm Registration No.: 025755N

For and on behalf of the board

Capital India Finance Limited

(CA Ashwani Kumar Relan)

Partner

Membership No. 088309

Divyank Khullar

(Proprietor)

Membership No.: 528399

Keshav Porwal

Managing Director

DIN: 06706341

Amit Sahai Kulshreshtha

Director

DIN: 07869849

Capital India Finance Limited (Formerly known as Bhilwara Tex-Fin Limited)
Annexure II : Restated Consolidated Statement of Profit and loss for the period ended 31st October, 2017
(All amounts are in Rupees, unless otherwise stated)

Particulars	Note No	For the Period ended 31st Oct 2017
I. Revenue from Operation	14	9,36,93,948
II. Other Income		-
III. Total Income (I+II)		9,36,93,948
IV. Expenses		
Cost of materials consumed		-
Purchases of stock-in-trade		-
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress		-
Employee benefit Expense	15	24,27,028
Finance Costs	16	6,78,25,680
Depreciation and amortisation expense		-
Other Expenses	17	23,32,126
Total Expenses (IV)		7,25,84,834
V. Profit/ (Loss) from operations before exceptional/extraordinary item and tax (III-IV)		2,11,09,114
VI. Exceptional / Extraordinary item		-
VII. Profit/(Loss) before tax (V-VI)		2,11,09,114
VIII. Tax Expenses :		
(1) Current Tax		-
(2) Deferred Tax		-
IX. Profit/(Loss) for the period from continuing operations (VII-VIII)		2,11,09,114
X. Profit/(Loss) for the period from discontinued operations		-
XI. Tax Expenses of discontinued operations		-
XII. Profit/(Loss) for the period from discontinued operations (after tax) (X-XI)		-
XIII. Profit /(Loss) for the period (IX+XII)		2,11,09,114
Earning Per equity shares (for discontinued & continuing operations)		
(i) Basic		6.03
(ii) Diluted		6.03

As per our Report on Restated Financials attached

For **AVK & Associates**
Chartered Accountants
Firm Reg No-002638N

For **Divyank Khullar & Associates**
Chartered Accountants
Firm Registration No.: 025755N

For and on behalf of the board
Capital India Finance Limited

(CA Ashwani Kumar Relan)
Partner
Membership No. 088309

Divyank Khullar
(Proprietor)
Membership No.: 528399

Keshav Porwal
Managing Director
DIN: 06706341

Amit Sahai Kulshreshtha
Director
DIN: 07869849

Capital India Finance Limited (Formerly known as Bhilwara Tex-Fin Limited)
Annexure III : Restated Consolidated Statement of Significant Accounting Policies for the period ended
31st October, 2017

(All amounts are in Rupees, unless otherwise stated)

1. Background

Capital India Finance Limited (formerly known as Bhilwara Tex-fin Limited) (“the Company”) was incorporated on November 16, 1994 and obtained the certificate for Commencement of Business on November 22, 1994 from Registrar of Companies under the provision of the Companies Act, 1956. The main objects of the company are to provide the fund based financial services etc. During the year under review, the Company continued in business of investment & financing.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation of consolidated financial statements

These consolidated financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014, the relevant provisions of the Companies Act, 2013, pronouncements of the Institute of Chartered Accountants of India and other accounting principles generally accepted in India, to the extent applicable. The consolidated financial statements are presented in Indian Rupees.

b. Principles of consolidation

The consolidated financial statements have been prepared in accordance with the principles and procedures for the preparation and presentation as laid down under Accounting Standard 21 on “Consolidated Financial Statements” as specified in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014.

i. The consolidated financial statements of the Company and its subsidiaries have been combined on a line by line basis by adding together the book values of all items of assets, liabilities, incomes and expenses after eliminating all intra-company balances and intra-company transactions and also unrealised profits and losses in full in accordance with the Accounting Standard 21 on “Consolidated Financial Statements”.

ii. The difference between the cost of investment in subsidiaries and its proportionate share in the equity of the investee company at the time of acquisition of shares in the subsidiaries is recognised in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be. Goodwill is tested for impairment by the management on an annual basis.

iii. The consolidated financial statements are prepared using uniform accounting policies for the like transactions and other events in similar circumstances and are presented to the extent possible, and required in the same manner as the Company’s separate financial statements.

iv. The entities considered in the consolidated financial statements are:

Name of the company	Country of incorporation	% shareholding As at 31st October, 2017
Subsidiaries:		
CAPITAL INDIA ASSET MANAGEMENT PRIVATE LIMITED	India	100
CIFL HOLDING PRIVATE LIMITED	India	100
CIFL INVESTMENT MANAGER PRIVATE LIMITED	India	100
CAPITAL INDIA HOME LOANS LIMITED	India	100
CAPITAL INDIA WEALTH MANAGEMENT PRIVATE LIMITED	India	100

c. Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting periods. Difference between the actual results and estimates are recognized in the period in which the results are known materialized.

d. Current and non-current classification

All assets and liabilities are classified into current and non-current.

i. Assets:

An asset is classified as current when it satisfies any of the following criteria:

1. It is expected to be realised in, or is intended for sale or consumption in the normal operating cycle of the respective company of the Group;
2. It is held primarily for the purpose of being traded;
3. It is expected to be realised within 12 months after the reporting date; or
4. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

ii. Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

1. It is expected to be settled in the normal operating cycle of the respective company of the Group;
2. It is held primarily for the purpose of being traded;
3. It is due to be settled within 12 months after the reporting date; or
4. The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The respective company of the Group has ascertained its operating cycle being a period within 12 months for the purpose of classification of assets and liabilities as current and non-current.

e. Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the respective company of the Group and the revenue can be reliably measured.

- a) Interest income is recognized on accrual basis except in case of non-performing assets where it is recognized upon realization as per RBI Guidelines.
- b) Penal interest is recognized as income on realization.
- c) Dividend income is accounted on an accrual basis when the company's right to receive the dividend is established.

f. Fixed assets and depreciation

Fixed assets are stated at cost, net of cenvat credit (wherever claimed), less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes inward freight, duties, taxes and incidental expenses related to acquisition and installation incurred up to the date of commissioning of the assets. Fixed assets under construction, and cost of asset not ready to use before the reporting date are disclosed as capital work in progress. Assets held for disposal are stated at their estimated residual values as at the Consolidated Balance Sheet date. Depreciation on tangible assets is provided on the straight-line method over the useful life of the assets estimated by the management.

g. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realized within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current/ non-current classification scheme of Schedule III.

Current investments are carried in the consolidated financial statements at lower of cost and fair value. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments, such reduction being determined and made for each investment individually.

h. Employee benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognized in the Consolidated Statement of Profit and Loss in the period in which the employee renders the related service.

i. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and fixed deposits with banks with original maturity of three months or less.

j. Borrowing costs

Borrowing costs are interest, ancillary cost and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs incurred by the respective company of the Group in connection with the borrowing of funds.

Borrowing costs (net of income on the temporary investment of those borrowings) that are attributable to the acquisition of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a period of one year or more to get ready for its intended use. All other borrowing costs are charged to revenue.

k. Earning per share

Basic earnings per share are computed by dividing the net profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity shares and dilutive equivalent shares outstanding during the period, except where results would be anti-dilutive.

l. Taxation

Income-tax expenses comprise current tax (i.e. the amount of tax for the year determined in accordance with the Income-tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of the timing differences between the accounting income and taxable income for the year). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. However, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized. Deferred tax implications of timing differences, that originate during the tax holiday period and reverse after the tax holiday period are recognised in the year in which timing differences originate.

Minimum Alternative Tax (MAT)

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendation contained in the Guidance Note on “Accounting for Credit available in respect of the Minimum Alternative Tax under the Income Tax Act, 1961” issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing to the effect that Company will pay normal income during the specified period.

m. Impairment of assets

The carrying amounts of assets are reviewed by respective company of the Group at each Balance Sheet date in accordance with Accounting Standard 28 ‘Impairment of Assets’, to determine whether there is any indication of impairment. If any such indication exists, the asset’s recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the Consolidated Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortizations, if no impairment loss had been recognized.

n. Provisions and contingent liabilities

The respective company of the Group recognizes a provision when there is a present obligation as a result of a past event and it is more likely than not that there will be an outflow of resources embodying economic benefits to settle such obligation and the amount of such obligation can be reliably estimated. Provisions are not discounted to its present value, and are determined based on the management’s best estimate of the amount of obligation required at the year end. These are reviewed at each Consolidated Balance Sheet date and adjusted to reflect current management estimates.

Restated Notes to Consolidated financial Statements for the period ended 31st October, 2017
(All amounts are in Rupees, unless otherwise stated)

3	Restated Detail of Share Capital	31st October, 2017	
		Number	Amount (Rs)
a)	Share capital		
	Authorised share capital		
	Equity shares of Rs. 10 each	40,00,000	4,00,00,000
	Issued, subscribed and fully paid up		
	Equity shares of Rs. 10 each	35,02,700	3,50,27,000
	Total issues, subscribed and fully paid up share capital	35,02,700	3,50,27,000

b)	Reconciliation of the shares outstanding at the beginning and at the end of the reporting period		
		31st October, 2017	
		Number	Amount (Rs)
	At the beginning of the year	35,02,700	3,50,27,000
	Outstanding at the end of the year	35,02,700	3,50,27,000

c)	Terms and rights attached to fully Paid up shares :
	The Company has only one type of equity shares having Par value of Rs 10 each. All shares rank pari passu with respect to dividend , voting rights, and other terms. Each shareholder is entitled to one vote per share. The dividend proposed, if any by the Board of Directors subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The Repayment of equity share capital in the event of liquidation and buyback of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the company after distribution of all Preferential amounts, in proportion to their holdings.

d)	Shares held by holding company		
		31st October, 2017	
		Number	Amount (Rs)
	Equity shares of Rs. 10 each	-	-

e)	Shares in the Company held by each shareholder holding more than 5% shares		
		31st October, 2017	
	Equity shares of Rs. 10 each	Number	%
	Archana Aggarwal	-	0.00%
	Sainik Mining and Allied Services Private Limited	14,67,800	41.93%
	Total	14,67,800	41.93%

4	Restated Reserve and Surplus	As at
		31st October, 2017
a)	General Reserve	
	Balance as per last financial statements	1,76,099
	Add : Transfer during the year	-
	Total General Reserve	1,76,099
b)	Special Reserve Fund (RBI Norms)	
	Balance as per last financial statements	16,82,691
	Add : Transfer during the year	42,21,823
	Total General Reserve	59,04,514
c)	Surplus in the statement of profit and loss	
	Balance as per last financial statements	26,46,488
	Add : Profit for the year	2,11,09,114
	Add : Provision for Standard Assets w/back	-
	Add : Mat Credit Entitlement	-
		2,37,55,602
	Less : Transfer to Special Reserve Fund (RBI Norms)	42,21,823
	Net Surplus in the statement of profit and loss	1,95,33,779
	Total Reserves and surplus	2,56,14,392

5	Restated Borrowings	As at	
		31st October, 2017	
		Long Term	Short Term
	Unsecured		
	From Corporates (ICD)	85,50,00,000	3,40,00,000
	From Others	13,68,00,000	-
		99,18,00,000	3,40,00,000

6	Restated Provisions	As at	
		31st October, 2017	
		Long Term	Short Term
	For Income tax		
	Assessment Year 2017-18	18,26,531	-
	For Reserve Bank of India (Pursuant to RBI Norms)		
	Standard Assets (0.35%)	31,16,610	-
		49,43,141	-

7	Restated Other current liabilities	As at
		31st October, 2017
	Statutory Dues Payable	7,03,666
	Salary Payable	13,34,332
	Expense payable	1,29,800
	Interest Payable	8,19,03,580
		8,40,71,378

8	Restated Tangible assets	As at
		31st October, 2017
	Furniture & Fixtures	37,93,127
		37,93,127

9	Restated Intangible Assets	As at
		31st October, 2017
	Goodwill on consolidation	16,25,625
		16,25,625

10	Restated Capital Work-in-progress	As at
		31st October, 2017
	Building under construction	1,39,80,242
		1,39,80,242

11	Restated Loans and Advances	As at	
		31st October, 2017	
		Long Term	Short Term
	To related parties		
	Inter Corporate Deposits	-	2,95,00,000
	Interest Receivable	-	13,57,940
	To Others		
	Inter Corporate Deposits	70,00,00,000	-
	Interest receivable	-	5,80,83,295
	Other advances	-	14,67,50,000
	Balance with government authorities	-	2,88,092
	Advance to Supplier	-	4,84,80,937
	Prepaid Expenses	-	59,000
	<u>TDS & Advance Tax</u>		
	Advance Tax & TDS AY 2017-18	78,25,900	-
	Advance Tax & TDS AY 2018-19	65,42,444	-
		71,43,68,344	28,45,19,264

12	Restated Trade receivables	As at
	<i>(Unsecured considered good, unless otherwise stated)</i>	31st October, 2017
	- Receivables outstanding for a period exceeding six months from the date they are due for payment	40,32,000
	- Others	-
		40,32,000

13	Restated Cash and bank balances	As at
		31st October, 2017
	Cash and cash equivalents	
	Cash on hand	23,903
	Balance with banks:	
	- in current accounts	
	-ICICI Bank Ltd	24,08,320
	-Yes Bank Ltd	3,05,086
	Cheque in hand	15,04,00,000
		15,31,37,309

14	Restated Revenue from operations	For the period ended
		31st October, 2017
	Interest income	9,36,93,948
		9,36,93,948

15	Restated Employee benefit Expense	For the period ended
		31st October, 2017
	Salaries, wages and bonus	24,26,778
	Staff Welfare	250
		24,27,028

16	Restated Finance costs	For the period ended
		31st October, 2017
	Interest expenses	6,78,24,698
	Bank charges	982
		6,78,25,680

17	Restated Other expenses	For the period ended
		31st October, 2017
	Conveyance	2,38,575
	Printing & Stationery	2,48,724
	Advertisement	1,39,430
	Listing Fee	2,97,220
	Professional Charges	2,03,234
	Postage & Courier Charges	25,775
	General Expenses	28,900
	Diwali Expenses	4,200
	Telephone Expense	4,474
	Rates Fee & Taxes	80,594
	Membership Fees	10,61,000
		23,32,126

18. Restated Related Party Disclosure

Particulars	As at 31st October, 2017
A. Related party with whom the company had transaction etc.	
(i) Associates and others:	
(a) Sainik Mining and allied Service limited	Having significant Influence
(ii) Key Management:	
Sukomal Bhunya	C.F.O
Archana Aggarwal	Company Secretary

Related Party Transaction

Transactions (Amount in Rs)	As at 31st October, 2017			
	Subsidiaries	Associates & Others	Key Management	Total
Salary Paid				
Sukomal Bhunya Archana Aggarwal	-	-	5,48,951	5,48,951
	-	-	84,000	84,000
	-	-	6,32,951	6,32,951
Finance Provided				
Sainik Mining and allied Service limited	-	3,00,00,000	-	3,00,00,000
	-	3,00,00,000	-	3,00,00,000
Refund of Finance Provided				
Sainik Mining and allied Service limited	-	5,00,000	-	5,00,000
	-	5,00,000	-	5,00,000
Interest Received				
Sainik Mining and allied Service limited	-	13,57,940	-	13,57,940
	-	13,57,940	-	13,57,940

Particulars of balances in respect of related party transactions:

Transactions	As at 31st October, 2017			
	Subsidiaries	Associates & Others	Key Management	Total
Finance Provided				
Sainik Mining and allied Service limited	-	3,08,57,940	-	3,08,57,940
	-	3,08,57,940	-	3,08,57,940

ANNEXURE IV: Restated Consolidated Summary Statement on the Adjustments**(A) NOTES ON RECONCILIATION OF RESTATED PROFIT**

Particulars	For the period ended
	31st October, 2017
Net Profit/Loss as per Audited Financial Statements	2,11,09,114
Adjustments to net profit/(loss) as per audited financial statements	
a) Adjustments on account of change in Accounting Estimate	
Depreciation & Amortisation	
b) Bad debts	
c) Sundry Liabilities written back	
d) Restatement of Taxes	
Tax Adjustments	
Deferred Tax on Restatements	
Profit as per Restated Standalone Financial Statements after Adjustments	2,11,09,114

ANNEXURE V : Restated Consolidated Summary Statement of Accounting Ratios

	Particulars	For the period ended
		31st October, 2017
A	Financial Stability Ratio	
i)	Current Ratio (CA/CL)	3.741
ii)	Debt to Equity Ratio (Total Debt/Equity)	16.916
B	Performance & Efficiency Ratios	
i)	Return on Equity (PAT/Equity)	34.810
ii)	Debtors Turnover Ratio (Gross Sales/Average Debtors)	
iii)	Average Collection Period (in Days)	
iv)	Inventory Turnover	
v)	Inventory Holding period (in days)	
vi)	Creditors Turnover	
vii)	Average Payables Period (in days)	

Annexure VI : Restated Consolidated Summary Statement of Capitalization

Particulars	For the period ended
	31st October, 2017
Borrowings:	
Long Term Borrowing	99,18,00,000
Short Term Borrowing	3,40,00,000
Total (A)	1,02,58,00,000
Shareholder's Fund:	
Equity Shareholder Fund	3,50,27,000
Reserve and Surplus	2,56,14,392
Total (B)	6,06,41,392
Debt/ Equity Ratio (A)/(B)	16.916

CERTAIN OTHER FINANCIAL INFORMATION (WORKING RESULTS)

Unaudited standalone working results of our Company for the period from April 01, 2017 to November 30, 2017:

Particulars	Amount (₹ in Lakhs)
Revenue	1,066.08
Other income	-
Estimated Gross Profit (excluding Depreciation)	260.45
Provision for Depreciation	-
Provision for taxation	-
Estimated Net Profit	260.45

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Standalone Financial Statements beginning on page 108, prepared in accordance with the Companies Act, Indian GAAP and the SEBI Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in the section "Financial Statements" beginning on page 108. Unless otherwise stated, the financial information used in this section is derived from the Restated Standalone Financial Statements.

The degree to which the Indian GAAP financial statements included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section "Risk Factors" on page 7.

In this section, unless the context otherwise requires, a reference to "we", "us", "our" or "the Company" is a reference to our Company.

Our Fiscal ends on March 31 of each year. Accordingly, all references to a particular Fiscal are to the 12 months ended March 31 of that year.

OVERVIEW OF THE BUSINESS

We have the following products in financial sector as mentioned below

- **Real Estate Project Finance (CRE)**
Project finance is required for meeting project acquisition/construction cost for Residential, Commercial, Retail or other real estate development. Under this product, loans are offered to the developers/builders for acquisition, construction & development of their projects.
- **Promoter's Funding / Loan Against Shares (LAS)**
Promoters of the companies, in order to raise funds for either personal or company needs, pledge their holding to financial institutions. For availing such loans against shares, any shareholder can pledge shares to the lender.
- **Loan Against Property (LAP) / Lease Rental Discounting (LRD)**
Under this product loans are offered against an existing ready property/land/any other assets of HNIs/Developers/Customers. End use of funds may be for general business purpose or purchase of land/FSI or it may be for debt consolidation or takeover of existing facility.
- **Non-Residential Property (NRP) / Commercial Property Purchase Loan**
NRP is a secured form of financing where the borrower seeks finance towards purchase or construction of commercial property under consideration.
- **Unsecured Loans / Personal Loans**
Capital India will offer Business Loans (BL) to business community so as to cater to their short term funds requirements either for capex or working capital gap. Similarly Personal Loans (PL) will be offered to salaried borrowers for their personal needs.
- **Non – Convertible Debentures (NCD)**
NCDs are typically secured /unsecured debt instruments issued by companies incorporated under the companies act. NCD's, which will be subscribed by Capital India, are to be secured against the security of any asset in line with product norms.

- **Structured Finance**

With increase in economic activity in corporate sector and need for innovative financial products, there is huge business potential for lending to established corporate sector and new enterprise. There is demand for general business purpose loans, structured financing solutions for acquisition, expansion, exit to Private Equity partners, buyout of partners stake, pre IPO financing needs & business diversification etc.

As per the restated audited standalone financial statements for the Fiscal 2017, 2016 and 2015, our Company has generated total income of Rs. 878.21 Lakhs, Rs. 754.31 Lakhs and Rs. 438.61 Lakhs respectively and net profit after extra-ordinary items of Rs. 44.54 Lakhs, Rs. 14.54 Lakhs, and Rs. 13.39 Lakhs respectively. Over the last three fiscal years, our Company's total income has increased.

SIGNIFICANT DEVELOPMENTS AFTER OCTOBER 31, 2017 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

To the knowledge of our Company and except as disclosed herein, since the date of the last financial statements contained in this Prospectus, no other circumstances have arisen which would materially and adversely affect or which would be likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 (twelve) months.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We offer a diverse range of financial products and services, including corporate loans, construction loans, loans to industries. We also generate additional income from services we provide as part of our financing products to supplement interest income. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant impact on our results of operations.

Growth of our lending business

We have identified our lending business as one of our key focus areas to expand our presence in the financial sector. We believe we are well placed to expand our lending business, through the acquisition of new customers, providing a convenient experience to customers and offering differentiated solutions to meet the specific needs of particular customer demographics.

As part of our strategy to focus on our lending business, we intend to customize and introduce new loan products and evaluate other financing opportunities. We also intend to improve our lending processes and distribution channels. We believe that such customer service initiatives coupled with the use of technology will allow us to increase our presence in the lending market and secure both new and repeat business in our lending operations. That said, growth prospects in the lending business can be affected by a wide variety of factors including competition from other lenders, regulatory limitations on the products we can offer and markets we can serve, other changes in the regulations of our lending business, access to important marketing channels including TV and mass media, search engine marketing and strategic partnerships, changes in access to adequate financing, increasingly sophisticated fraudulent borrowing and online theft, challenges with new products and new markets, and fluctuations in the credit markets and demand for credit. An inability to scale up our infrastructure and management to meet the challenges associated with expanding our lending business could cause disruptions to our operations and adversely affect our results of operations and financial condition. For further details, please refer the section on "**Risk Factors**" on page 7.

Interest rate volatility

As we grow our lending business, changes in interest rates are expected to have significant impact on our business and operations. Finance costs are dependent on various external factors, including Indian and global credit markets and, in particular, interest rate movements and adequate liquidity in the debt markets. Changes in RBI repo rates could affect the interest charged on interest-earning assets and the interest rates paid on interest-bearing liabilities. Adverse conditions in the global and Indian economy resulting from economic dislocations or liquidity disruptions may adversely affect availability of credit, and decreased liquidity may lead to an increase in interest rates.

Interest rates have a substantial effect on our cost of funding, our business volumes and our profit margins. Declining interest rates may lead to increased prepayments and repricing of our loans as borrowers seek to take advantage of the

more attractive interest rate environment to reduce their borrowing costs. Declining interest rates may also lead to a greater demand for additional borrowings as business owners seek to take advantage of lower interest rates, resulting in an increase in volume of lending business. Conversely, when interest rates rise, there are typically less prepayments and less pressure to reprice loans; there is also less demand for new funds, resulting in a decrease in volume of our financing activities. In a rising interest rate scenario, our profit margins are therefore primarily dependent on our ability to attract new business, either through existing customers or new customers, than it is in a declining interest rate scenario. In addition, changes in interest rates also affect the interest rates we pay on our interest-bearing liabilities. Varying maturity periods applicable to our interest-bearing assets and interest-bearing liabilities and a consequent change in interest rates may result in an increase in interest expense relative to interest income leading to a reduction in our interest income from our lending business.

Geographic reach and distribution network

Our growth will be driven by a combination of expansion of our operational network as well as an increase in loans extended to corporates. Our sales team directly engages with customers to offer financing products as well as ancillary services. Our ability to maintain and expand our operational network in a cost effective and efficient manner and serve as a preferred finance provider to project developers will have a direct impact on our results of operations and financial condition.

We are extending loans to developers and corporates. This ensures a diversified and quality portfolio. We have introduced stringent credit checks for the loan portfolios associated with loans to our borrowers, including continuous monitoring of the hypothecated loan portfolio to ensure that they meet the credit policies stipulated by us and replace any substandard underlying asset.

Availability of cost effective funding sources

The availability of cost-effective funding sources significantly affects our results of operations. Our funding requirements are predominantly sourced through infusion of capital and loans from lenders. We have established long term relationships with various banks and lenders which provide ease of access to funding. Our quality loan portfolio, stringent credit appraisal and risk management processes and stable credit history have resulted in improved credit status with our lenders over the years, thereby enabling us to reduce our cost of borrowings.

We believe that we will be able to maintain relatively stable finance costs as a result of our effective fund raising and asset management strategy. As a NBFC, we may assign or securitize our portfolio to banks. We believe long-term relationships with public/private sector banking institutions will improve our credibility and provides ease of access to funds from such institutions at relatively lower costs. Our ability to maintain our finance costs at optimum levels will continue to have a direct impact on our profitability, results of operations and financial condition.

Credit quality, provisions and write-offs

Our NPA level is a resultant of our credit quality, which is further dependent upon our credit appraisal processes, internal process of evaluation of collateral and recovery mechanism. The credit quality of our loans directly affects our results of operations, as the quality of our loan portfolio determines our ability to reduce the risk of losses from loan impairment. With the growth of our business, our ability to manage the credit quality of our loans will be a key driver of our results of operations, as quality loans help reduce the risk of losses from loan impairment and write-offs. We maintain credit quality based on verification of risk profile of borrower, source of repayment and the underlying collateral.

RESTATED SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION

- (i) The Standalone Financial Statements are prepared in accordance with Accounting Standard (AS) 21 on Standalone Financial Statements issued by the Institute of Chartered Accountants of India. The Standalone Financial Statement comprises the financial statement of Capital India Finance Limited (the Company).
- (ii) The financial Statements have been prepared to comply in all material aspects in respect with the notified Accounting Standard Rules, 2006
- (iii) Financial statements are based on historical cost and are prepared on accrual basis, except where impairment is made and revaluation is carried out.
- (iv) Accounting Policies have been consistently applied by the Group and are consistent with those used in the previous year.
- (v) The Standalone financial statement have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and presented, to the extent possible, in the same manner as the company's separate financial statements.

2. GENERAL

These Financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. The financial statements are prepared in accordance with the accounting standards notified by the Central Government, in terms of section 133 of the Companies Act, 2013 read with Rule 7 and guidelines issued by the Securities and Exchange Board of India (SEBI) and the guidelines issued by the Reserve Bank of India (RBI) as applicable to a Non-Banking Financial Company ('NBFC'). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

3. USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting periods. Difference between the actual results and estimates are recognized in the periods in which the results are known materialized.

4. REVENUE RECOGNITION

- a) Interest income is recognized on accrual basis except in case of non-performing assets where it is recognized upon realization as per RBI Guidelines.
- b) Penal interest is recognized as income on realization.
- c) Dividend income is accounted on an accrual basis when the company's right to receive the dividend is established.

5. INVESTMENTS

Investment is long term in nature and is valued at cost. The Company does not possess any Investment as on year ended 31st March, 2017.

6. FIXED ASSETS

The Company does not possess any Fixed Assets as on March 31, 2017.

7. EARNING PER SHARE

Basic Earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit/loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

8. TAXATION

- i) Current Tax: Provision for current tax is made on the estimated taxable income at the rate applicable to the relevant assessment year.
- ii) Minimum Alternate Tax: The Income Tax liability as per the normal provisions of the Income Tax Act, 1961 is higher than the tax payable as per section 115JB (Minimum Alternate Tax), therefore tax is provided as per normal provisions of the Income Tax Act, 1961.
- iii) Deferred Tax: In accordance with the Accounting Standard, the deferred tax for the timing difference is measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance sheet date. Deferred tax assets arising from timing difference are recognized only on the consideration of prudence.

9. EMPLOYEE BENEFITS

Short Term Employee Benefits are recognized in the period in which employees services are rendered. Contributions towards provident fund are recognized as expense. Provident fund contributions in respect of all employees are made to Provident Fund Authorities, as applicable. Liability towards Gratuity covering eligible employees is provided for in the books.

10. CONTINGENT LIABILITIES

Contingent Liability is NIL.

SNIPPET ON RESULTS OF OPERATIONS

The following table sets forth a summary of our standalone statement of profits and losses, as restated, by amount and as a percentage of our total revenue during the periods indicated. Our historical results presented below are not necessarily indicative of the results that may be expected for any other future period.

(Rs. In Lakhs)

Particulars	31-Oct-17	%	Fiscal 2017	%	Fiscal 2016	%	Fiscal 2015	%
		of total revenue (%)		of total revenue (%)		of total revenue (%)		of total revenue (%)
Revenue:								
Revenue from Operations	936.94	100.00	873.16	99.42	753.71	99.92	438.60	99.99
Other Income	0	0.00	5.05	0.58	0.60	0.08	0.00	0.01
Total Revenue	936.94	100.00	878.21	100.00	754.31	100.00	438.60	100.00
Expenses:		0.00		0.00		0.00		0.00
Employee benefits expense	24.27	2.59	13.64	1.55	11.42	1.51	1.62	1.62
Finance Costs	678.26	72.39	797.85	90.85	706.03	93.60	403.64	403.92
Depreciation and amortization expense	0.00	0.00	0	0.00	0	0.00	0	0.00
Other expense	23.32	2.49	22.18	2.53	22.32	2.96	19.95	19.96
Total Expenses	725.85	77.47	833.67	94.93	739.77	98.07	425.21	425.51
Restated Profit before exceptional and extraordinary items and tax	211.09	22.53	44.54	5.07	14.54	1.93	13.39	13.40
Exceptional Items	0.00	0.00	0	0.00	0	0.00	0	0.00

Restated Profit before extraordinary items and tax	211.09	22.53	44.54	5.07	14.54	1.93	13.39	13.40
Extraordinary items	0.00	0.00	0	0.00	0	0.00	0	0.00
Restated Profit before tax	211.09	22.53	44.54	5.07	14.54	1.93	13.39	13.40
Tax expense:		0.00		0.00		0.00		0.00
(1) Current Tax	0	0.00	18.26	2.08	6.39	0.85	2.55	2.55
(2) Deferred Tax (Assets)/Liabilities	0.00	0.00	0	0.00	0	0.00	0	0.00
Income Tax provision pertaining to earlier Assessment year	0.00	0.00	2.76	0.31	-0.07	-0.01	0.19	0.19
Total Tax Expenses	0	0.00	21.02	2.39	6.32	0.84	2.74	2.74
Restated Profit/(Loss) for the period	211.09	22.53	23.52	2.68	8.22	1.09	10.65	10.66
APPROPRIATION		0.00		0.00		0.00		0.00
Amount T/F to Special Reserve Fund		0.00	0	0.00	0	0.00	0	0.00
Profit/Loss after Appropriation	211.09	22.53	23.52	2.68	8.22	1.09	10.64	10.65

Seven Months Period Ended October 31, 2017

Revenues

Our Revenue from Operations was Rs. 936.94 in the seven months period ended October 31, 2017 Lakhs or 100% of total revenue. The growth in our revenue is primarily because of advances present on books for majority period as compared to Fiscal 2017.

Expenses

Employee benefits expense

As on October 31, 2017, employee benefits expense were Rs. 24.27 Lakhs including salaries, bonuses and allowances.

Finance Costs

Finance costs were Rs. 678.26 Lakhs in the seven months period ended October 31, 2017. These were interest expense on borrowings.

Other Expenses

Other expenses were Rs. 23.32 Lakhs in the seven months period ended October 31, 2017. Other expenses during this period comprised primarily of expenses with respect to Operating and Administration Expenses.

Profit before Tax

Profit before tax was Rs. 211.09 Lakhs in the seven months period ended October 31, 2017.

Profit for the Period

Following adjustments for net tax expense, profit after tax in the seven months period ended October 31, 2017 was Rs. 211.09 Lakhs.

Fiscal 2017 compared to Fiscal 2016

Revenues

Our Revenue from Operations increased by Rs.119.45 Lakhs, or 15.85%, to Rs. 873.16 Lakhs in Fiscal 2017 from Rs. 753.71 Lakhs in Fiscal 2016.

Other income

Our other income increased by Rs. 4.45 Lakhs, or 741.67%, to Rs. 5.05 Lakhs in Fiscal 2017 from Rs. 0.60 Lakhs in Fiscal 2016, primarily due to an increase in Miscellaneous Receipts.

Expenses

Employee benefits expense

Employee benefits expense increased by Rs. 2.22 Lakhs, or 19.44 %, to Rs. 13.64 Lakhs in Fiscal 2017 from Rs. 11.42 Lakhs in Fiscal 2016. This increase was primarily due to annual increments in salaries and wages & optimization of manpower.

Finance Costs

Finance costs increased by 13.01% from Rs. 706.03 Lakhs in Fiscal 2016 to Rs. 797.85 in Fiscal 2017, reflecting our increased indebtedness and growth of business

Other expenses

Other expenses reduced by Rs. 0.14 Lakhs, or 0.01%, to Rs. 22.18 Lakhs in Fiscal 2017 from Rs. 22.32 Lakhs in Fiscal 2016.

Tax expense

Our total tax expenses for Fiscal 2017 was Rs. 21.02 Lakhs as compared to Rs. 6.32 Lakhs in Fiscal 2016.

Restated profit for the year

Our net profit after tax increased to Rs. 23.52 Lakhs in Fiscal 2017 from Rs. 8.22 Lakhs in Fiscal 2016.

Fiscal 2016 compared to Fiscal 2015

Revenues from operations

Our revenue from operations increased by Rs. 315.11 Lakhs, or 71.84%, to Rs. 753.71 Lakhs in Fiscal 2016 from Rs. 438.60 Lakhs in Fiscal 2015.

Other income

Our other income increased by Rs. 0.59 Lakhs, to Rs. 0.60 Lakhs in Fiscal 2016 from Rs. 0.01 Lakhs in Fiscal 2015.

Expenses

Employee benefit expense

Employee benefits expense increased by Rs. 9.8 Lakhs, or 605.00%, to Rs. 11.42 Lakhs in Fiscal 2016 from Rs. 1.62 Lakhs in Fiscal 2015.

Finance cost

Our finance costs increased by Rs. 302.39 Lakhs, or 74.92%, to Rs. 706.03 Lakhs in Fiscal 2016 from Rs. 403.64 Lakhs in Fiscal 2015, primarily due to an increase in interest expense and business growth.

Depreciation and amortization expenses

Our depreciation and amortization are nil in both financial years i.e 2016 & 2015

Other expenses

Other expenses increased by Rs. 2.37 Lakhs, or 11.88%, to Rs. 22.32 Lakhs in Fiscal 2016 from Rs. 19.95 Lakhs in Fiscal 2015.

Tax expense

Our total tax expenses for Fiscal 2016 was Rs. 6.32 Lakhs as compared to Rs. 2.74 Lakhs in Fiscal 2015.

Restated profit for the year

For the reasons discussed above, our net profit after tax decreased to Rs. 8.22 Lakhs in Fiscal 2016 from Rs. 10.65 Lakhs in Fiscal 2015.

Liquidity and Capital Resources

The purpose of the liquidity management function is to ensure that we have adequate liquidity to extend loans to our customers across our various financing products, to repay principal, interest on our borrowings and to fund our working capital requirements and other expenses and taxes. We endeavour to diversify our sources of capital. We have funded the growth in our operations and loan portfolio through loans. In the seven month period ended October 31, 2017, we paid back an aggregate Rs. 3,510 Lakhs to these sources, and as of October 31, 2017, cash used in our operations was Rs. 124.68 Lakhs. In Fiscal 2017, we received an aggregate Rs. 8,934.72 Lakhs from these sources, and as of March 31, 2017, cash used in our operations was Rs. 3,880.74 Lakhs. Based upon our current level of expenditures, we believe our cash flows from operating activities and the proceeds from offerings contemplated herein will be adequate to meet our anticipated cash requirements for capital expenditures and working capital for at least the next 12 months.

We actively manage our liquidity and capital position by raising funds on a continuous basis on terms that, we believe, are favourable to us. We maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements. Liquidity is provided principally by short term and long term borrowings from banks and other financial institutions, debentures, retained earnings and proceeds from assignments and securitizations of loans. Certain of our loan agreements and debentures contain a number of covenants including financial covenants. In addition, some loans may contain provisions which allow lenders, at their discretion to recall the loan at short notice and/or require us to prepay on a pari passu basis if any other loan is being repaid. Such covenants, if acted upon, may have an impact on our liquidity.

Cash flows

The table below summarizes our cash flows from our Restated Standalone Financial Information of cash flows for the Fiscals 2017, 2016 and 2015:

(Rs. In Lakhs)			
Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015
Net Cash Generated from Operating Activities	(3,880.74)	424.94	(4,075.26)
Net Cash used in Investing Activity	287.13	-	-
Net Cash used in Financing Activities	8,934.72	(429.60)	4,080.87
Net Increase in Cash and Cash Equivalents	5,341.12	(4.66)	5.62
Opening Balance of Cash and Cash Equivalents	2.67	7.32	1.71
Closing Balance of Cash and Cash Equivalents	5,343.78	2.67	7.32

Operating Activities

Net cash used in operating activities was Rs. 3,880.74 Lakhs in Fiscal 2017, and net profit before tax was Rs. 44.54 Lakhs. Operating profit before working capital changes was Rs. 54.07 Lakhs. The main working capital adjustments was on account of an increase in loans and advances of Rs. 3374.40 Lakhs. Taxes paid were Rs. 21.02 Lakhs in Fiscal 2017.

Net cash generated in operating activities was Rs. 424.94 Lakhs in Fiscal 2016, and net profit before tax was Rs. 14.54 Lakhs. Operating profit before working capital changes was Rs. 30.60 Lakhs. The main working capital

adjustment was on account of an increase in current liability and provisions of Rs. 404.08 Lakhs. Taxes paid were Rs. 6.32 Lakhs in Fiscal 2016.

Net cash used in operating activities was Rs. 4075.26 Lakhs in Fiscal 2015, and net profit before tax was Rs. 13.39 Lakhs. Operating profit before working capital changes was Rs. 27.37 Lakhs. The main working capital adjustment was on account of decrease in loans and advances of Rs. 4,111.58 Lakhs. Taxes paid were Rs. 2.74 Lakhs in Fiscal 2015.

In fiscal 2017, our net cash used from operating activities was Rs. 3,880.74 Lakhs, primarily consisting of an operating profit of Rs. 54.07 Lakhs before working capital changes. The working capital adjustments primarily consisted of an increase in trade and other receivables, decrease in loans and advances and increase in current liabilities and provisions during the fiscal year.

In fiscal 2016, our net cash generated from operating activities was Rs. 424.94 Lakhs, primarily consisting of an operating profit of Rs. 30.60 Lakhs before working capital changes. The working capital adjustments primarily consisted of a decrease in loans and advances and increase in current liabilities and provisions during the fiscal year.

In fiscal 2015, our net cash used from operating activities was Rs. 4,075.28 Lakhs, primarily consisting of an operating profit of Rs. 27.37 Lakhs before working capital changes. The working capital adjustments primarily consisted of a decrease in loans and advances and increase in current liabilities and provisions during the fiscal year.

Investing Activities

In fiscal 2017, our net cash used in investing activities was Rs. 287.13 Lakhs, primarily on account of sale of non-current investments of Rs. 287.13 Lakhs

In fiscal 2016, our net cash used in investing activities was nil.

In fiscal 2015, our net cash used in investing activities was nil.

Financing Activities

In fiscal 2017, our net cash generated in financing activities was Rs. 8,934.72 Lakhs, primarily on account of Net proceeds from Long Term Borrowings Rs. 8,934.72 Lakhs during this period.

In fiscal 2016, our net cash used in financing activities Rs. 429.60 Lakhs, primarily on account of Net proceeds from Long Term Borrowings Rs. (429.60) Lakhs during this period.

In fiscal 2015, our net cash generated in financing activities Rs. 4,080.87 Lakhs, primarily on account of Net proceeds from Long Term Borrowings Rs. 4,080.87 Lakhs during this period.

Borrowings

For the period ended October 31, 2017, we had long term borrowings of Rs. 9918.00 Lakhs. As on March 31, 2017, we had long term borrowings of Rs. 13,768.00 Lakhs.

Related Party Transactions

We enter into various transactions with related parties in the ordinary course of business. Related party transactions with certain of our promoters and directors primarily relate to remuneration payable, sales of finished goods, sale of fixed assets, and issue of equity shares. For further details of such related parties under AS 18, see “**Financial Statements**” beginning on page 108.

Contingent liabilities and other off-balance sheet arrangements

The contingent Liabilities of the company is Nil.

For further information, see our Restated Standalone Financial Statements on page 108.

Except as disclosed in our Restated Standalone Financial Statements or this prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Capital Expenditures

Our capital expenditures were, and we expect our future capital expenditures to be, primarily for processing operations. For period ended October 31, 2017 our capital expenditure was Rs. 177.73 Lakhs. For fiscal year ending 2017, 2016 and 2015 there was no capital expenditure.

Changes in Accounting Policies

There has been no change in our accounting policies in the last five years.

Quantitative and Qualitative Disclosure about Market Risk**Operational Risk**

Operational risks arise from inadequate or failed internal processes, people and systems or from external events. In order to control our operational risks, we have adopted well-defined loan approval processes and procedures. We also attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures and undertaking contingency planning. In addition, we have appointed audit firms to conduct internal audits to assess adequacy of and compliance with internal controls, procedures and processes. Reports of internal auditors as well as measures proposed on matters reported are discussed and reviewed at Audit Committee meetings.

Asset Risk

Asset risks arise from decrease in the value of collateral over time. Sale price of a repossessed asset may be less than the amount of loan and interest outstanding and we may not be able to realize the full amount lent to our customers due to such a decrease in the value of collateral. Our employees are required to follow legal procedures and take appropriate care in dealing with customers while repossessing assets. We may also face certain practical and execution challenges while seizing collateral.

Credit Risk

Credit risk arises from loss that may occur from defaults by customers under loan agreements. Customer defaults and inability to recover such amount may lead to higher NPA ratios. Our product specific credit policies which include proposal evaluation and investigation procedure for credit appraisal of each applicant are approved by our Board. We manage our credit risk by evaluating the appropriate level of income and creditworthiness of our customers, carrying out cash flow analysis, setting credit limits and prudent ratios. Credit exposure, credit limits and asset quality are regularly monitored at various levels.

Regulatory Risk

Our lending business, is subject to various regulations relating to the capital adequacy of NBFCs, which determine the minimum amount of capital we are required to maintain as a percentage of the risk-weighted assets on our portfolio, or CRAR. Details of our Assets, Liabilities and Capital Base are provided in chapter on Financial Statements on page no 108. There have been breaches in complying with some of these provisions relating to capital adequacy. The proposed Rights Issue is aimed at strengthening our capital base in order to be compliant with relevant regulation governing capital adequacy.

Interest Rate Risk

We are subject to interest rate risk, particularly because we lend to customers at fixed interest rates and for periods that may differ from our funding sources, which bear fixed and / or floating interest rates. Interest rates are susceptible to a number of factors beyond our control, including monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. We assess and manage interest rate risk on our balance sheet by managing our assets and liabilities in line with our asset and liability management policy.

Liquidity risk

Liquidity risk arises due to unavailability of adequate funds at appropriate prices or tenure. We attempt to minimize this risk through a mix of strategies, including assignment of receivables and short-term funding. We also monitor liquidity risk through adequate bank sanction limits at the beginning of each Fiscal. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term. Through our asset and liability management policy, we cap maximum mismatches in various maturities in line with guidelines prescribed by the RBI.

Unusual or infrequent events or transactions

Except as described in this Draft letter of Offer, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Significant economic changes that materially affected or are likely to affect income from continuing operations

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in **“Factors affecting our results of operations”** and the uncertainties described in the section titled **“Risk Factors”** on pages 7 and 155, respectively.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the sections titled **“Risk Factors”** and **“Management’s Discussion and Analysis of Financial Condition and Results of Operations”** in this Draft Letter of Offer, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income from continuing operations.

Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described in the sections titled **“Risk Factors”** and **“Management’s Discussion and Analysis of Financial Condition and Results of Operations”** in this Draft Letter of Offer, there are no known factors that might affect the future relationship between cost and revenue.

Significant Dependence on Single or Few Customers

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers.

Competition

We operate in a competitive environment. For further information, see “Our Business”, “Industry Overview” and “Risk Factors” on pages 61, 56 and 7, respectively for further information on our industry and competition.

Significant Developments after October 31, 2017 that may affect our Future Results of Operations

Except as disclosed in this Draft Letter of Offer, including as below, to our knowledge no circumstances have arisen since the date of the last financial information disclosed in this Draft Letter Of Offer which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

FINANCIAL INDEBTNESS

Set forth below is a brief summary of our significant credit facilities as on October 31, 2017

(Rs. in lakhs)

Name of the Lender	Nature of the Loan	Amount Sanctioned	Amount availed	Date of Agreement / Sanction letter	Rate of Interest	Terms of Repayment
FUND BASED						
Sainik Finance & Industries Ltd	ICD	15,000	8,555	30/01/2017	11.00%	5 Years
CEC-ITD Cem-TPL Joint Ventures	ICD	2,000	1,444	16/02/2017	6.50%	5 Years
SN Nirman Infra Projects Private Limited	ICD	1,200	738	16/02/2017	8.00%	5 Years
Bangbhum Traders Private Limited	ICD	125	125	27/10/2017	10.00%	1 Year
Goodpoint Traders Private Limited	ICD	25	25	26/10/2017	10.00%	1 Year
Rishabh Stocks Private Limited	ICD	250	90	27/10/2017	10.00%	1 Year
Sarvika Commercial Private Limited	ICD	100	100	28/10/2017	10.00%	1 Year

STOCK MARKET DATA

The Equity shares of our Company are presently listed and traded on BSE. The equity shares are frequently traded at BSE. The share trading data for the equity shares of our Company is as under:

Stock Market Data for BSE

The closing market price of the equity shares of our Company on the first business day after the Board approved the Issue i.e. on December 20, 2017 was ₹ 33.85 per equity share on the BSE.

The high and low closing prices and associated volumes of securities traded during last 3 years recorded on BSE is as follows:

Calendar Year	High (₹)	Date of High	Volume on date of high (no. of shares)	Low (₹)	Date of Low	Volume on date of low (no. of shares)	Weighted Average Price (₹)
2017	33.85	21/11/2017	4,104	13.35	11/05/2017	40	26.31
2016	21.20	14/01/2016	44	16.95	01/08/2016	25	18.62
2015	31.95	30/07/2015	250	15.59	05/01/2015	1	21.19

The high and low price, and associated volume of securities traded during the last 6 months on BSE is as follows:

Period	High (₹)	Date of High	Volume on date of high (no. of shares)	Low (₹)	Date of Low	Volume on date of low (no. of shares)	Weighted Average Price (₹)
November 2017	33.85	21/11/2017	4101	25.02	01/11/2017	32	33.37
October 2017	25.20	31/10/2017	50	20.05	10/10/2017	150	23.37
September 2017	19.80	12/09/2017	500	17.15	01/09/2017	1	19.41
August 2017	19.16	29/08/2017	333	14.87	08/08/2017	75	17.69
July 2017	14.17	20/07/2017	40	13.50*	18/07/2017	82	13.70
June 2017	14.00	12/06/2017	50	13.50	23/06/2017	636	13.54

*The date on which higher number of shares were traded is considered.

Latest Stock Market Data for the preceding four weeks from the date of filing of Draft Letter of Offer with SEBI:

Week Starting From	Week ending on	High		Low		Week's Closing Price (in ₹)	Total Traded quantity during the period
		Amount (in ₹)	Date	Amount (in ₹)	Date		
11/12/2017	15/12/2017	Nil	Nil	Nil	Nil	Nil	Nil
18/12/2017	22/12/2017	33.85	19/12/2017	33.85	19/12/2017	33.85	5
25/12/2017	29/12/2017	Nil	Nil	Nil	Nil	Nil	Nil
01/01/2018	05/01/2018	41.05	05/01/2018	35.50	01/01/2018	41.05	250

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (i) criminal litigation involving our Company, Directors, Promoter, Subsidiaries or Group Companies; (ii) actions taken by any statutory or regulatory authorities against our Company, Directors, Promoter, Subsidiaries or Group Companies; or (iii) claim involving our Company, Directors, Promoter, Subsidiaries or Group Companies for any direct or indirect tax liabilities, respectively, on a consolidated basis.

Further, except as stated in this section, there are no (i) outstanding proceedings initiated for economic offences against our Company; (ii) pending defaults or non-payment of statutory dues by our Company; (iii) material fraud against our Company in the last five years immediately preceding the date of this Draft Letter of Offer; (iv) inquiries, inspections or investigations initiated or conducted under the Companies Act against our Company or Subsidiaries during the last five years immediately preceding the year of this Draft Letter of Offer; (v) prosecutions filed (whether pending or not); compounding of offences or fines imposed under the Companies Act against our Company and Subsidiaries, in the last five years immediately preceding the year of this Draft Letter of Offer; (vi) litigation or legal action, pending or taken, against our Promoters by any ministry or Government department or statutory authority during the last five years immediately preceding this Draft Letter of Offer; (vii) other pending litigations involving our Company, Directors, Promoters, Subsidiaries or Group Companies or any other person, as determined to be material by our Board of Directors, in accordance with the SEBI ICDR Regulations; or (viii) outstanding dues to creditors of our Company as determined to be material by our Board of Directors, in accordance with the SEBI ICDR Regulations; and (ix) outstanding dues to small scale undertakings and other creditors; and (x) overdues or defaults to banks or financial institutions by our Company.

It is clarified that for the purposes of the above, pre-litigation notices (other than notices involving actions by statutory or regulatory authorities) received by our Company, Directors, Promoters, Subsidiaries and the Group Companies shall, unless otherwise decided by the Board, not be considered as litigation until such time that our Company or any of our Subsidiaries, Directors, Promoters and our Group Companies, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.

Further, with respect to point (viii) above, our Board, in its meeting held on January 11, 2018, determined that outstanding dues to creditors in excess of 10% of the net worth of our Company as per our Restated Standalone Financial Statements for the period ended October 31, 2017, shall be considered as material dues (“**Material Dues**”). Details of outstanding dues to creditors including small scale undertakings as required under the SEBI ICDR Regulations have been disclosed on our website at www.capitalindia.com.

Unless stated to the contrary, the information provided in this section is as of the date of this Draft Letter of Offer. All terms defined in a summary pertaining to a particular litigation shall be construed only in respect of the summary of the litigation where such term is used.

PART I – Contingent Liabilities of Our Company

NIL

PART II- LITIGATIONS INVOLVING OUR COMPANY

A. LITIGATIONS AGAINST OUR COMPANY

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Direct Tax

(a) Income Tax

Assessment Year 2016-2017

Our Company has received a notice dated July 08, 2017 under section 143(2) of the Income Tax Act, 1961 for Assessment year 2016-2017, intimating selection of our Company's Income Tax return filed vide Acknowledgment no. 498662631151016 on October 15, 2016 for scrutiny. The Company was advised to file necessary supporting documents. Another notice dated September 25, 2017 under 143(2) of the Income Tax Act, 1961 was received by Company for some further information as it was selected under Computer Assisted Scrutiny Selection (CASS). Further, another notice dated January 04, 2018 under section 142(1) of the Income Tax Act, 1961 was received by Company directing the Company to provide the information like copy of acknowledgment of ITR-V with complete Income Tax return; copy of balance sheet, profit and loss account and notes thereto; computation of income or tax or notes thereto; tax audit report (s), Memorandum and articles of the Company and documents filed with ROC. The matter is still pending before the Authority.

(b) TDS

As per the website of Income Tax for TDS. TRACES (TDS Reconciliation Analysis and Correction Enabling System), there are defaults in payment of TDS by the Company in following financial years:

(Amount in Rs.)

Sr. No.	Financial Year	Processed Demand
1.	2007-08	3,780
2.	2008-09	150
3.	2000-10	140
TOTAL		3,070

The demands are still pending.

• Indirect Tax

Nil

• Recent Developments/Proceedings under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

• Proceedings against Our Company for economic offences/securities laws/ or any other law

Nil

• Penalties in Last Five Years

Nil

• Pending Notices against our Company

Nil

• Past Notices to our Company

Nil

• Disciplinary Actions taken by SEBI or stock exchanges against Our Company

Nil

• Litigation /Legal Action pending or taken by any Ministry or any statutory authority against our Company in last five years

Nil

- **Defaults including non-payment or statutory dues to banks or financial institutions**

Nil

- **Details of material frauds against the Company in last five years and action taken by the Companies.**

Nil

B. LITIGATIONS FILED BY OUR COMPANY

- **Criminal Litigations**

Nil

- **Civil Proceedings**

Nil

- **Taxation Matters**

Direct Tax

Nil

Indirect Tax

Nil

- **Recent Developments/Proceedings under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

- **Details of any enquiry, inspection or investigation initiated under Companies Act, 2013 or any previous Company Law**

Nil

PART III - LITIGATIONS INVOLVING DIRECTOR/S OF OUR COMPANY

A. LITIGATIONS AGAINST DIRECTOR/S OF OUR COMPANY

- **Criminal Litigations**

Nil

- **Civil Proceedings**

Nil

- **Taxation Matters**

Mr. Keshav Porwal

Assessment Year 2014-2015

An outstanding demand numbering 2014201437058271086T dated January 14, 2015 under section 143(1)(a) of the Income Tax Act, 1961 is showing on the Income Tax website for the Assessment year 2014-2015 for Rs. 15,380 against Mr. Keshav Porwal, Director of our Company. The demand is still pending.

- **Recent Developments/Proceedings under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

- **Past Penalties imposed on our Directors**

Nil

- **Proceedings initiated against our directors for Economic Offences/securities laws/ or any other law**

Nil

- **Directors on list of wilful defaulters of RBI**

Nil

B. LITIGATIONS FILED BY DIRECTOR/S OF OUR COMPANY

- **Criminal Litigations**

Nil

- **Civil Proceedings**

Nil

- **Taxation Matters**

Direct Tax

Nil

Indirect Tax

Nil

- **Recent Developments/Proceedings under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

PART IV - LITIGATIONS INVOLVING PROMOTER ENTITY/S OF OUR COMPANY

A. LITIGATIONS AGAINST OUR PROMOTER ENTITY AND ITS DESIGNATED PARTNERS

Criminal Litigations

Nil

- **Civil Proceedings**

Nil

- **Taxation Matters**

Poonam Narvar (Designated Partner of Promoter LLP)

Assessment Year 2009-2010

An outstanding demand numbering 2010200910009247614T dated September 24, 2010 under section 1431a of the Income Tax Act, 1961 is showing on the Income Tax website for the Assessment year 2009-10 for Rs. 10,990 against Ms. Poonam Narvar, Designated Partner of the Promoter LLP. The demand is still pending.

- **Recent Developments/Proceedings under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

- **Past Penalties imposed on our Promoter Entity and Designated Partners**

Nil

- Proceedings initiated against our Promoter Entity and Designated Partners for Economic Offences/securities laws/ or any other law

Nil

- Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against our Promoter Entity and Designated Partners in last five years

Nil

- Litigation /defaults in respect of the companies/Firms/ventures/ with which our Promoter Entity and Designated Partners were associated in Past.

Nil

- Adverse finding against Promoter Entity and Designated Partners for violation of Securities laws or any other laws

Nil

B. LITIGATIONS FILED BY OUR PROMOTER ENTITY AND DESIGNATED PARTNERS

Criminal Litigations

Nil

- Civil Proceedings

Nil

- Taxation Matters

Direct Tax

Nil

Indirect Tax

Nil

- Recent Developments/Proceedings under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

PART V - LITIGATIONS INVOLVING OUR GROUP COMPANIES

A. LITIGATIONS AGAINST OUR GROUP COMPANIES

Criminal Litigations

Nil

- Civil Proceedings

Nil

- Taxation Matters

Direct Tax

Nil

Indirect Tax

Nil

- **Recent Developments/Proceedings under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

- **Past Penalties imposed on our Group Companies**

Nil

- **Proceedings initiated against our Group Companies for Economic Offences/securities laws/ or any other law**

Nil

- **Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Group Companies**

Nil

- **Adverse finding against Group Companies for violation of Securities laws or any other laws**

Nil

- **B. LITIGATIONS FILED BY OUR GROUP COMPANIES**

Criminal Litigations

Nil

- **Civil Proceedings**

Nil

- **Taxation Matters**

Direct Tax

Nil

Indirect Tax

Nil

- **Recent Developments/Proceedings under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016**

Nil

- **PART – VI - LITIGATIONS INVOLVING OUR SUBSIDIARY COMPANIES**

Nil

- **OTHER MATTERS**

Nil

OUTSTANDING DUES TO CREDITORS

As at October 31, 2017, our Company has nil material creditors based on the materiality policy of our Company as adopted by our Board.

OTHER DISCLOSURES

Except as disclosed above, our Company, Directors, Promoter Entity and Designated Partners of our Promoter, and Subsidiary Companies are not declared as wilful defaulters by RBI/ government authorities and there are no violations of securities laws committed by them in the past or pending against them. Our Company, Promoter Entity and Designated Partners of our Promoter, Directors, and Subsidiary Companies have not been prohibited from accessing the capital markets under any order or direction passed by SEBI and no penalty has been imposed at any time by any of the regulators in India or abroad. Further, no regulatory action has been initiated / taken against our Company, our Promoter Entity and Designated Partners of our Promoter by any regulatory bodies

MATERIAL DEVELOPMENT AFTER THE DATE OF THE AUDITED FINANCIAL STATEMENTS AS ON OCTOBER 31, 2017

In the opinion of our Board, there have not arisen since the date of the last audited financial statements i.e. October 31, 2017 and except as disclosed in the summary financial statements as on October 31, 2017, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government of India and various governmental agencies required by us to undertake this Issue and for our present business and except as mentioned below, no further material approvals are required for carrying on our present business operations. Unless otherwise stated, these approvals are valid as on the date of this Draft Letter of Offer. We have obtained the following valid consents/ approvals /registrations /licenses for operation of our business:

I. Approvals for the Issue

For details regarding the approvals and authorisations obtained by our Company in relation to the Issue, see “Other Regulatory and Statutory Information” on page 178.

II. Approvals obtained by our Company

S No.	Nature Of License/Approval	Registration/License No.	Issuing Authority	Date Of Granting License/Approval	Validity
1.	Certificate of Incorporation in the name of Bhilwara Tex-Fin Limited	No. 17-09037 of 1994-95	The Registrar of Companies Rajasthan, Jaipur	November 16, 1994	One Time registration
2.	Certificate of Commencement of Business	C No. 17-09037	The Registrar of Companies Rajasthan, Jaipur	November 22, 1994	One Time
3.	Fresh Certificate of Incorporation consequent upon change of name of our Company from — “Bhilwara Tex-Fin Limited” to “Capital India Finance Limited”	L74899DL1994PL C128577	The Registrar of Companies, New Delhi	August 16, 2017	One Time registration
Tax Related Approvals					
4.	Permanent Account Number (“PAN”)	AADCB0657N	Income Tax Department	November 16, 1994	One Time registration
5.	Tax Deduction Account Number (“TAN”)	JDHB02511F	Income Tax Department	NA	One Time Registration
6.	Goods and Service Tax (“GST”) For - 129, Transport Centre, Rohtak Road, Punjabi Bagh, New Delhi, West Delhi, Delhi, 110035	07AADCB0657N2 ZH	Central Board of Excise and Customs	December 01, 2017	One Time Registration
7.	Goods and Service Tax (“GST”) For - 301, Morya Estate Commercial Premises CS ltd., New Link Road, Oshiwara, Opposite Infinity Mall, Andheri (West), Mumbai – 400053	27AADCB0657N1 ZG	Central Board of Excise and Customs	November 01, 2017	One Time Registration

8.	Registration Certificate under Delhi Shops & Establishment Act, 1954 For – 2 nd Floor, DLF Centre, Sansad Marg, New Delhi - 110001	2017099215	Department of Labour	December 25, 2017	NA
9.	Registration Certificate under Maharashtra Shops and Establishment Act, 1948 For – C-66, G Block, One BKC, Bandra Kurla Complex, Village Kole Kalyan, Bandra East, Mumbai – 400051	762281137/Commercial II	Inspector under the Maharashtra Shops and Establishment Act, 1948	December 19, 2017	October 13, 2018
Business Related Approvals					
10.	Certificate of Registration to commence/carry on the business of non-banking financial institution without accepting public deposits (NBFC-ND). (in the name of Bhilwara Tex-Fin Limited having Registered Office at Jaipur)	10.00047	General Manager/Deputy General Manager of Reserve Bank of India, Jaipur	March 24, 1998* (*the Certificate of Registration no. 10.00047 was cancelled in 2006. Since then the Company carried on NBFI activities without holding Certificate of Registration till June 06, 2013.)	One Time Registration
11.	Certificate of Registration to commence/carry on the business of non-banking financial institution without accepting public deposits (in the name of Bhilwara Tex-Fin Limited on account of shifting of Registered Office from “Jaipur” to “New Delhi”)	B14.03278	General Manager of Reserve Bank of India, New Delhi	June 06, 2013	One Time Registration
12.	Certificate of Registration to commence/carry on the business of non-banking financial institution without accepting public deposits. (on account of change in name from “Bhilwara Tex-Fin Limited” to “Capital India Finance Limited”)	B-14.03278	General Manager/Manager of Reserve Bank of India, New Delhi	August 13, 2017	One Time Registration
13.	Registration under the Employees Provident Funds and Miscellaneous Provisions Act, 1952	Code No. - DLCPM1672242000	Employees' Provident Fund Organisation	December 14, 2017	One Time Registration

14.	Registration under the Employee State Insurance Act, 1948	22001241220001099	Asst/Dy. Director, Sub Regional Office, Employees' State Insurance Corporation	December 06, 2017	One Time Registration
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III. Approvals obtained in relation to Intellectual property rights:

Our Promoter has applied for the following trademarks. The details of trademark applications and their status are as follows:

S. No.	Trademark	Logo	Registration/ Application No.	Classes	Registration/ Application Date	Status/ Validity
1.	Trademark - Capital India		3595885	36	July 20, 2017	Objected
2.	Trademark – Capital India Asset Finance		3596556	36	July 21, 2017	Objected
3.	Trademark -Capital India Home Loans		3596555	36	July 21, 2017	Accepted
4.	Trademark – Capital India Investment Banking		3596557	36	July 21, 2017	Objected
5.	Trademark – Capital India Wealth Management		3596558	36	July 21, 2017	Objected

IV. The Details of Domain Name registered on the name of the Company are as follows:

S. No.	Domain Name and ID	IANA ID	Creation Date	Registration Expiry Date
1.	Capitalindia.com Registry Domain ID - 75732601_DOMAIN_COM-VRSN	Registrar IANA ID: 146	August 06, 2001	August 06, 2018

OTHER REGULATORY AND STATUTORY INFORMATION

Authority for the Issue

The Issue has been authorized by our Board by a resolution passed at its meeting held on December 20, 2017, pursuant to Section 62 of the Companies Act, 2013. The Issue Price of ₹ [●] per Rights Equity Share and the Rights Entitlement of [●] Rights Equity Share for every [●] fully paid-up Equity Shares held on the Record Date i.e. [●] has been determined by the Board in its meeting held on [●]. The Issue Price has been arrived at in consultation with the Lead Manager.

Our Company has received in-principle approvals from the BSE under Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be allotted in the Issue pursuant to their letters, [●] and [●], respectively.

Prohibition by RBI, SEBI or other governmental authorities

Our Company, the Promoter Entity, the Directors, Promoter Group, persons in control of our Company and persons in control of the Corporate Promoter as well as its directors have not been debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which our Promoter Entity, our Promoter Group, our Directors or the persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Company, our Promoter Entity, our Directors, our Promoter Group, relatives of promoters, is or have been classified as a wilful defaulter by a bank or financial institution or a consortium thereof in accordance with the guidelines on wilful defaulters issued by RBI. Accordingly, no disclosures have been made pursuant to the requirements of Regulation 4(6) read with Part G of Schedule VIII of the SEBI ICDR Regulation.

None of our Directors are associated with the securities market in any manner.

Eligibility for the Issue

The Equity Shares of our Company are presently listed on the BSE. It is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter IV of the SEBI ICDR Regulations.

Our Company is in compliance with the conditions specified in Regulation 4(2) of SEBI ICDR Regulations, 2009, to the extent applicable. Further, in relation to compliance with Regulation 4(2)(d) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to this Issue. Our Company has chosen BSE as the Designated Stock Exchange for the Issue.

We are a Company incorporated under the Companies Act 1956 and our Equity Shares are listed on BSE. We are eligible to undertake the Issue in terms of Chapter IV of the SEBI ICDR Regulations.

Pursuant to Clause 3(a) of Part E of Schedule VIII of the SEBI ICDR Regulations, our Company is required to make disclosures as per Part A of Schedule VIII of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT LETTER OF OFFER TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. THE LEAD MANAGER, SPA CAPITAL ADVISORS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF

CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, SPA CAPITAL ADVISORS LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JANUARY 11, 2018 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC., AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT LETTER OF OFFER PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER,**

WE CONFIRM THAT:

- (A) THE DRAFT LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
- (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE, AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
- (C) THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITER TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOT APPLICABLE**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN WILL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER. - NOT APPLICABLE**

6. WE CERTIFY THAT REGULATION 33 OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER / LETTER OF OFFER. - NOT APPLICABLE
7. WE UNDERTAKE THAT SUB-REGULATION 4 OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - NOT APPLICABLE
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS WILL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 40(3) OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE EQUITY SHARES IN DEMAT OR PHYSICAL MODE.
11. WE CERTIFY THAT ALL APPLICABLE DISCLOSURES MANDATED IN THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:
 - (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
 - (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE

ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, RISK FACTORS, PROMOTER EXPERIENCE, ETC.

- 15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**
- 16. WE ENCLOSE STATEMENT ON ‘PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)’, AS PER THE FORMAT SPECIFIED BY THE BOARD THROUGH CIRCULAR. - NOT APPLICABLE**
- 17. WE CERTIFY THAT THE PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. - COMPLIED WITH TO THE EXTENT OF RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017.**
- 18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS (IF APPLICABLE) - NOT APPLICABLE**

THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT LETTER OF OFFER.

Disclaimer clauses from our Company and the Lead Manager

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this draft letter of offer/Letter of Offer or in the advertisement or any other material issued by or at the instance of our company and that anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in the issue will be deemed to have been represented by our company and the lead manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire equity shares of our company, and are relying on independent advice / evaluation as to their ability and quantum of investment in this issue.

Caution

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in the Letter of Offer or in any advertisement or other material issued by us or by any other persons at our instance and anyone placing reliance on any other source of information would be doing so at his own risk.

Our Company and the Lead Manager shall make all information available to the Eligible Equity Shareholders and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer with SEBI.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

Investors who invest in the Issue will be deemed to have represented to our Company and Lead Manager, and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice/evaluation as to their ability and quantum of investment in the Issue.

The Lead Manager and its affiliates may engage in transactions with, and perform services for, our Company and our Group Entities or affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company and our Group Entities or affiliates, for which they have received, and may in the future receive, compensation.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian Laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in New Delhi, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue will be BSE.

Disclaimer Clause of the BSE

As required, a copy of the Draft Letter of Offer has been submitted to BSE (the designated stock exchange). The disclaimer clause as intimated by the BSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with the Stock Exchanges.

Selling restrictions

The distribution of the Draft Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by the legal requirements prevailing in those jurisdictions. Persons into whose possession of the Letter of Offer may come are required to inform themselves about and observe such restrictions. We are making this Issue of Equity Shares on a rights basis to our Eligible Equity Shareholders and will dispatch the Letter of Offer/Abridged Letter of Offer and CAFs to the Eligible Equity Shareholders who have provided an Indian address.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer is filed with SEBI for observations. Accordingly, the Rights Entitlement or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, the Draft Letter of Offer must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of the Letter of Offer should not, in connection with the issue of the Equity Shares, distribute or send the same in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If the Letter of Offer is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the rights referred to in the Draft Letter of Offer.

Neither the delivery of the Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to this date.

Filing

The Draft Letter of Offer will be filed with SEBI at its Head office at Mumbai for its observations. SEBI has vide its letter [●] dated [●] issued its final observations and the Letter of Offer has been filed with the Designated Stock Exchange.

Listing

The existing Equity Shares are listed on BSE. We will file in-principle approval application to obtain in-principle approval from the BSE in respect of the Equity Shares being offered in terms of the Issue.

If the permission to deal in and for an official quotation of the securities is not granted by the Stock Exchanges mentioned above, we shall forthwith repay, without interest, all monies received from applicants in pursuance of the Draft Letter of Offer.

We will issue and dispatch Allotment advice / share certificates / demat credit and / or letters of regret along with refund order or credit the allotted Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date.

If the subscription amount is not refunded within 15 days from the Issue Closing date, we shall be liable to pay interest for the period of delay, after such aforesaid 15 days, in accordance with the provisions of the Companies Act, 2013 and SEBI ICDR Regulations.

Consents

Consents in writing of the Promoter, Directors, Compliance Officer, Lead Manager to the Issue, Legal Counsel, Registrar to the Issue, Bankers to the Company, Statutory Auditors and Banker to the Issue to act in their respective capacities have been obtained and such consents have not been withdrawn up to the date of the Draft Letter of Offer.

Expert opinion

Except for (i) the reports of the Statutory Auditors on the Restated Financial Information, and (ii) the Statement of Tax Benefits available to our Company and its Shareholders included in this Draft Letter of Offer, we have not obtained any expert opinions.

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately ₹ [●] lakhs ([●] % of the Issue Size). The expenses of the Issue include, among others, fees of the Lead Manager, fees of the Registrar to the Issue, fees of the other advisors, printing and stationery expenses, advertising, travelling and marketing expenses and other expenses. The estimated Issue expenses are as follows:

Particulars	Estimated Expenses (₹ in lakhs)	% of Estimated Issue size	(₹ in lakhs) % of Estimated Issue expenses
Fees of the Lead Manager, legal advisors, Registrar to the Issue, auditors, including out of pocket expenses	[●]	[●]	[●]
Printing and stationery, distribution, postage, Advertising and marketing expenses etc.	[●]	[●]	[●]
Other expenses (including fees payable to SEBI and Stock Exchange, etc.)	[●]	[●]	[●]
Total	[●]	[●]	[●]

Public or rights issues by our Company during the last five years

Our Company has not made a public issue or rights issue of Equity Shares in the last five years preceding the date of this Draft Letter of Offer.

Previous issues of securities otherwise than for cash

Except as disclosed in “Capital Structure” on page 37, our Company has not made any issue of securities for consideration otherwise than cash.

Commission or brokerage in previous issue of Equity Shares

No sum is being payable as commission or brokerage for any of our previous issue(s) of Equity Shares.

Previous capital issue during the previous three years by listed Promoter Group and Subsidiaries of our Company

None of our Subsidiaries are listed. None of our Promoter Group have made any public or rights issue during the last three years.

Outstanding debentures, bonds, redeemable preference shares or other instruments

Except as disclosed in the Offer Document, our Company does not have any outstanding debentures, bonds, redeemable preference shares or other instruments as of the date of this Draft Letter of Offer.

Investor Grievances and Redressal System

We have adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Regulations.

Our Company has a Stakeholders Relationship Committee which meets as and when required, to deal and monitor redressal of complaints from shareholders. Generally, the investor grievances are dealt within five days of the receipt of the complaint. Indus Portfolio Pvt. Ltd is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Compliance Officer.

Our Board has constituted the Stakeholders Relationship Committee. This committee currently comprises of 3 members, namely Mr. Vinod Somani, Mr. Achal Kumar Gupta and Vineet Kumar Saxena. Our Stakeholders Relationship Committee oversees the reports received from the registrar and transfer agent and facilitates the prompt and effective resolution of complaints from our shareholders and investors. Its broad terms of reference include:

- Redressal of Equity Shareholder and Investor complaints including, but not limited to non-receipt of share certificates, transfer of Equity Shares and issue of duplicate share certificates, non-receipt of balance sheet, non-receipt of declared dividends, etc. and
- Monitoring transfers, transmissions, dematerialization, rematerialization, splitting and consolidation of shares issued by our Company.

Status of Shareholders Complaints

- (a) No. of shareholders complaints outstanding as on December 31, 2017: Nil
(b) Status of the pending complaints: Not applicable

Investor Grievances arising out of the Issue

Any investor grievances arising out of the Issue will be handled by the Registrar to the Issue. The Registrar to the Issue will have a separate team of personnel handling only our post-Issue correspondence.

Our agreement with the Registrar to the Issue provides for retention of records with the Registrar for a period of at least three years.

All grievances relating to the Issue may be addressed to the Registrar to the Issue or the SCSB in case of ASBA Applicants giving full details such as folio no. / demat account no. / name and address, contact telephone / cell numbers, email id of the first applicant, number of Equity Shares applied for, CAF serial number, amount paid on application and the name of the bank / SCSB and the branch where the CAF, or the plain paper Application, as the case may be, was deposited, alongwith a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

The average time taken by the Registrar to the Issue for attending to routine grievances will be 7-10 days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

Investors may contact the Registrar to the Issue at:

Indus Portfolio Private Limited

SEBI Regn. No.: INR000003845

G-65, Bali Nagar,

New Delhi – 110 015

Tel.: +91 11 47671214, 47671217

Fax: +91 25449863

E-mail: cs.anamika@indusinvest.com

Investor Grievance e-mail id: crm@indusinvest.com

Website: www.indusinvest.com

Contact Person: Ms. Anamika

Investors may contact the Compliance Officer at the below mentioned address and/ or Registrar to the Issue at the above mentioned address in case of any pre-Issue/ post -Issue related problems such as non receipt of allotment advice / share certificates / demat credit / refund orders etc.

Address of our Compliance Officer:

Mr. Rachit Malhotra

Compliance Officer & Company Secretary

Capital India Finance Limited

2nd Floor, DLF Centre,

Sansad Marg , New Delhi – 110 001

Tel. No.: 011-49546000

Email: secretarial@capitalindia.com

Change in auditors during last three years

Divyank Khullar and Associates, Chartered Accountants are the present auditors of our Company. They were appointed as the Statutory Auditor in the Annual General Meeting dated September 28, 2017. Before that M/s Nagar Goel & Chawla, Chartered Accountants were the Statutory Auditors of the Company.

Capitalisation of reserves or profits

Our Company has not capitalised reserves or profits during last five years.

Revaluation of assets

Our Company has not revalued its assets during last five years.

If we do not receive the minimum subscription of 90% in this Issue or if our Board fails to dispose off the unsubscribed Equity Shares in the manner as permitted under Section 62(1)(a)(iii), subject to receipt of requisite regulatory approvals, if any, after the Issue Closing Date or the subscription level falls below 90% after the Issue Closing Date on the account of cheques being returned unpaid or withdrawal of applications, we shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If the subscription amount is not refunded within 15 days from the Issue Closing date, we shall be liable to pay interest for the period of delay, after such aforesaid 15 days, in accordance with the provisions of the Companies Act, 2013 and SEBI ICDR Regulations.

OFFERING INFORMATION

The Equity Shares proposed to be issued are subject to the terms and conditions contained in the Draft Letter of Offer, the Abridged Letter of Offer, the CAF enclosed with the Letter of Offer, the Memorandum and Articles of Association, the provisions of the Companies Act, FEMA, the SEBI Regulations, any other regulations, guidelines, notifications and regulations for issue of capital and for listing of securities issued by SEBI, RBI and/ or other statutory authorities and bodies from time to time, and the terms and conditions as stipulated in the Allotment advice or letters of Allotment or share certificate and rules as may be applicable and introduced from time to time. All rights/ obligations of Equity Shareholders in relation to Applications and refunds pertaining to the Issue shall apply to Renouncee(s) as well.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/ 2011 dated April 29, 2011, QIB applicants, Non Institutional Investors and other applicants whose application amount exceeds ₹ 2,00,000 can participate in the Issue only through the ASBA process. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors or (iii) investors whose application amount is more than ₹ 200,000, can participate in the Issue either through the ASBA process or the non ASBA process. Renouncees are not eligible ASBA investors and must only apply for the Rights Equity Shares through the non ASBA process irrespective of the application value. ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process. For details, see “Procedure for Application through the Applications Supported by Blocked Amount (“ASBA”) Process” on page 196 of the Drat Letter of Offer. Notwithstanding anything contained hereinabove, all Renouncees (including Renouncees who are Individuals) shall apply in the Issue only through the non-ASBA process.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public issues/rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in their own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, for ensuring compliance with the applicable regulations.

Please note that in terms of the SEBI (Foreign Portfolio Investors) Regulations, 2014 (“**SEBI FPI Regulations**”), foreign institutional investor or qualified foreign investor who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995.

All rights/obligations of the Eligible Equity Shareholders in relation to application and refunds pertaining to the Issue shall apply to the Renouncee(s) as well.

Authority for the Issue

The Issue has been authorised by a resolution of our Board passed at its meeting held on December 20, 2017, pursuant to section 62 of the Companies Act.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible equity shareholders whose names appear, as beneficial owners as per the list to be furnished by the Depositories for the purpose of this Rights Issue in respect of the Equity Shares held in the electronic form, and on the register of members in respect of Equity Shares held in the physical form at the close of business hours on the Record Date, i.e., [●], fixed in consultation with the Designated Stock Exchange.

Ranking of Equity Shares

The Equity Shares shall be subject to the Memorandum and Articles of Association. The Equity Shares allotted in the Issue shall rank *pari passu* with the existing Equity Shares in all respects, including payment of dividends.

Mode of Payment of Dividend

We shall pay dividends (in the event of declaration of such dividends) to our equity shareholders as per the provisions of the Companies Act and our Articles of Association.

The distribution of the Draft Letter of Offer and the issue of the Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. We are making the issue of the Equity Shares on a rights basis to the Equity Shareholders and the Draft Letter of Offer, Abridged Letter of Offer and the CAFs will be dispatched only to those Equity Shareholders who have a registered address in India or who have provided an Indian address. Any person who acquires Rights Entitlements or the Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of the Draft Letter of Offer, that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States and in other restricted jurisdictions.

PRINCIPAL TERMS OF THE EQUITY SHARES ISSUED UNDER THE ISSUE**Face Value**

Each Equity Share shall have the face value of ₹ 10 each.

Issue Price

Each Equity Share is being offered at a price of ₹ [●] (including a premium of ₹ [●] per Equity Share). The Issue Price has been arrived at by us in consultation with the Lead Manager.

Rights Entitlement Ratio

The Equity Shares are being offered on a rights basis to the existing equity shareholders of our Company in the ratio of [●] Equity Share for every [●] Equity Shares held as on the Record Date.

As your name appears as a beneficial owner in respect of Equity Shares held in the electronic form or appears in the register of members as an equity shareholder of our Company as on the Record Date, you are entitled to the number of Equity Shares as set out in Part A of the CAF enclosed with the Draft Letter of Offer.

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an Application to subscribe to the Issue on plain paper. For further details, see the section titled "Offering Information - Application on Plain Paper" on page 195 and 199 respectively.

Terms of payment

The entire amount of ₹[●] per Equity Share is payable on application. Where an applicant has applied for additional Equity Shares and is allotted lesser number of Equity Shares than applied for, the excess Application Money paid shall be refunded. The monies would be refunded within 15 days from the Issue Closing Date. If the subscription amount is not refunded within 15 days from the Issue Closing date, we shall be liable to pay interest for the period of delay, after such aforesaid 15 days, in accordance with the provisions of the Companies Act, 2013 and SEBI ICDR Regulations.

Fractional Entitlements

For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored. Eligible Equity Shareholders whose fractional Rights Entitlements are being ignored would be given preferential consideration for the Allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their rights entitlement, if any. Additional Equity Shares allotted over and above the Rights Entitlement would be adjusted from the unsubscribed portion of the Issue, if any.

Those Equity Shareholders holding less than [●] Equity Shares will therefore be entitled to zero Equity Shares under this Issue and shall be dispatched a CAF with zero entitlement. Such Equity Shareholders are entitled to apply for additional Equity Shares. However, they cannot renounce the same in favour of third parties. CAFs with zero entitlement will be non-negotiable/non-renounceable.

Arrangement for Odd Lot Equity Shares

Our Company has not made any arrangements for the disposal of odd lot Equity Shares arising out of the Issue. The Company will issue certificates of denomination equal to the number of Equity Shares being allotted to the Equity Shareholder.

Listing and trading of Rights Equity Shares proposed to be issued

Our existing Equity Shares are currently listed and traded on BSE (Scrip Code: 530879) under the ISIN – INE345H01016. The fully paid-up Rights Equity Shares proposed to be issued pursuant to the Issue shall, in terms of SEBI Circular No. CIR/MRD/DP/21/2012 dated August 2, 2012, be Allotted under a temporary ISIN shall be frozen till the time final listing and trading approval is granted by the Stock Exchange. Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading.

The listing and trading of the Equity Shares shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. Upon Allotment, the Equity Shares shall be traded on Stock Exchanges in the demat segment only.

The Rights Equity Shares allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within seven Working Days of finalization of Basis of Allotment. We have made an application for “in-principle” approval for listing of the Equity Shares to the BSE and have received such approval from the BSE pursuant to the letter number [●], dated [●].

Our Company will apply to the BSE for final approval for the listing and trading of the Rights Equity Shares. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or that the price at which the Rights Equity Shares offered under the Issue will trade after listing on the Stock Exchanges.

Rights of the Equity Shareholder

Subject to applicable laws, Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability of shares; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association.

GENERAL TERMS OF THE ISSUE

Market lot

The Equity Shares of the Company is tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is one.

In case of holding in physical form, the Company would issue to the allottees one certificate for the Equity Shares allotted to one folio ("Consolidated Certificate"). In respect of the Consolidated Certificate, the Company will, upon receipt of a request from the Equity Shareholder, split such Consolidated Certificate into smaller denomination

within one month's time from the request of the Equity Shareholder in accordance with the provisions of the Articles of Association.

Joint-Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint-holders with benefits of survivorship subject to provisions contained in the Articles of Association.

Nomination facility

In terms of Section 72 of the Companies Act, 2013, nomination facility is available in case of Equity Shares. An applicant can nominate, by filling the relevant details in the CAF in the space provided for this purpose.

A sole Eligible Equity Shareholder or first Eligible Equity Shareholder, along with other joint Eligible Equity Shareholders being individual(s) may nominate any person(s) who, in the event of the death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Equity Shares. A Person, being a nominee, becoming entitled to the Equity Shares by reason of the death of the original Eligible Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered holder of the Equity Shares. Where the nominee is a minor, the Eligible Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s), in the event of death of the said holder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Equity Share by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. When the Equity Share is held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all the holders. Fresh nominations can be made only in the prescribed form available on request at our Registered and Corporate Office or such other person at such addresses as may be notified by our Company. The applicant can make the nomination by filling in the relevant portion of the CAF. In terms of section 72 of the Companies Act any person who becomes a nominee by virtue of the provisions of section 72 of the Companies Act shall upon the production of such evidence as may be required by our Board, elect either:

- To register himself as the holder of the Rights Equity Shares; or
- To make such transfer of the Rights Equity Shares, as the deceased holder could have made.

If the person being a nominee, so becoming entitles; elects to be registered as holders of the Rights Equity Shares himself or herself, he or she shall deliver to our Company, a notice in writing signed by him/her stating that he/she so elects and such notice shall be accompanied with the death certificate of the deceased holder.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Rights Equity Shares, and if the notice is not complied with within a period of ninety days, our Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Rights Equity Shares, until the requirements of the notice have been complied with.

Only one nomination would be applicable for one folio. Hence, in case the Eligible Equity Shareholder(s) has already registered the nomination with our Company, no further nomination needs to be made for Equity Shares to be allotted in the Issue under the same folio. However, new nominations, if any, by the Eligible Equity Shareholder(s) shall operate in supersession of the previous nomination, if any.

In case the Allotment of Equity Shares is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in the Issue. Nominations registered with respective Depository Participant of the applicant would prevail. If the applicant wants to change the nomination, they are requested to inform their respective Depository Participant.

Notices

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English National Daily and one Hindi National Daily with wide circulation (including the place where our Registered Office is situated) and/ or will be sent by ordinary post or registered post or speed post to the registered address of the Equity Shareholders in India as updated with the Depositories/ registered with the Registrar and Transfer Agent from time to time.

Subscription by the Promoter/Promoter Group

Our Promoters have confirmed, on behalf of the Promoter Group, vide their letter dated January 11, 2018 that they intend to subscribe to the full extent of their Rights Entitlement in the Issue, in compliance with regulation 10(4) of the SEBI Takeover Regulations.

Our Promoters have further confirmed vide their letter dated January 11, 2018 that, they intend to (i) subscribe for additional Equity Shares and (ii) subscribe for unsubscribed portion in the Issue, if any. Such subscription to additional Equity Shares and the unsubscribed portion, if any, to be made by the Promoter Group, shall be in accordance with regulation 10(4) of the SEBI Takeover Regulations. Their entitlement to subscribe to the Issue would be restricted to ensure that the public shareholding in the Company after the Issue does not fall below the permissible minimum level as specified in the applicable laws, including but not limited to, Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and entered with the Stock Exchanges and the Securities Contract (Regulations) Rules, 1957.

Procedure for Application

The CAF for Rights Equity Shares offered as a part of the Issue would be printed for all Eligible Equity Shareholders. In case the original CAFs are not received by the Eligible Equity Shareholders or is misplaced by the Eligible Equity Shareholders, the Eligible Equity Shareholders may request the Registrar to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID, Client ID and their full name and address. In case the signature of the Eligible Equity Shareholder(s) does not match with the specimen registered with us or the DP, the application is liable to be rejected.

Please note that neither our Company, nor the Lead Manager nor the Registrar shall be responsible for delay in the receipt of the CAF/ duplicate CAF attributable to postal delays or if the CAF/ duplicate CAF are misplaced in the transit. Eligible Shareholders should note that those who are making the application in such duplicate CAF should not utilize the original CAF for any purpose, including renunciation, even if the original CAF is received or found subsequently. If any Eligible Shareholder violates any of these requirements, he/she shall face the risk of rejection of both applications.

Please note that in accordance with the provisions of the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011 QIB Applicants, Non-Institutional Investors and other Applicants whose application amount exceeds ₹2,00,000 complying with the eligibility conditions prescribed under the SEBI circular no. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 must mandatorily participate in the Issue only through the ASBA process. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors or (iii) Investors whose application amount is more than ₹ 2,00,000, can participate in the Issue either through the ASBA process or the non ASBA process.

Please also note that by virtue of the circular No. 14 dated September 16, 2003 issued by the RBI, erstwhile Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of Investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Eligible Shareholder being an erstwhile OCB is required to obtain prior approval from RBI for applying to the Issue.

CAF

The Registrar will dispatch the CAF to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date. Those Eligible Equity Shareholders who must apply or who wish to apply through the ASBA process and have complied with the parameters mentioned above will have to select the relevant mechanism in Part A of the CAF and provide necessary details.

Application in electronic mode will only be available with SCSBs. The Eligible Equity Shareholder shall submit the CAF to the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the Application in the said bank account maintained with the same SCSB.

Please note that no more than five Applications (including CAF and plain paper) can be submitted per bank account in the Issue. ASBA Investors are also advised to ensure that the CAF is correctly filled up, stating therein the bank

account number maintained with the SCSB in which an amount equivalent to the amount payable on Application as stated in the CAF will be blocked by the SCSB.

The CAF consists of four parts:

- Part A: Form for accepting the Rights Equity Shares offered as a part of this Issue, in full or in part, and for applying for additional Rights Equity Shares;
- Part B: Form for renunciation of Rights Equity Shares;
- Part C: Form for application of Rights Equity Shares by Renouncee(s);
- Part D: Form for request for split Application forms.

Option available to the Eligible Equity Shareholders

The CAFs will clearly indicate the number of Rights Equity Shares that the Shareholder is entitled to. An Eligible Equity Shareholder can:

- Apply for his Rights Entitlement of Rights Equity Shares in full;
- Apply for his Rights Entitlement of Rights Equity Shares in part;
- Apply for his Rights Entitlement of Rights Equity Shares in part and renounce the other part of the Rights Equity Shares;
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Renounce his Rights Entitlement in full.

Acceptance of the Issue

You may accept the offer to participate and apply for the Rights Equity Shares, either in full or in part without renouncing the balance by filling Part A of the CAFs and submit the same along with the application money payable to the collection branches of the Banker to the Issue as mentioned on the reverse of the CAFs before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board in this regard. Investors at centres not covered by the branches of the Banker to the Issue can send their CAFs together with the cheque drawn at par on a local bank at New Delhi, demand draft payable at New Delhi to the Registrar to the Issue by registered post/ speed post so as to reach the Registrar to the Issue prior to the Issue Closing Date. Please note that neither our Company nor the Lead Manager nor the Registrar to the Issue shall be responsible for delay in the receipt of the CAF attributable to postal delays or if the CAF is misplaced in transit. Such applications sent to anyone other than the Registrar to the Issue are liable to be rejected. For further details on the mode of payment, please see the headings “*Mode of Payment for Resident Eligible Equity Shareholders/ Investors*” and “*Mode of Payment for Non-Resident Eligible Equity Shareholders/ Investors*” on page 215.

Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Rights Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of our Board, subject to sectoral caps and prescribed limits as per applicable laws and in consultation if necessary with the Designated Stock Exchange.

If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Rights Equity Shares in Part A of the CAF. Renouncee(s) applying for all the Rights Equity Shares renounced in their favour may also apply for additional Rights Equity Shares by indicating the details of additional Rights Equity Shares applied in place provided for additional Rights Equity Shares in Part C of CAF. In terms of Regulation 6 of Notification No. FEMA 20 12000-RB dated May 3, 2000, as amended from time to time, only the existing Non-Resident shareholders may subscribe for additional equity shares over and above the equity shares offered on rights basis by our Company.

Where the number of additional Rights Equity Shares applied for exceeds the number of Rights Equity Shares available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

Renunciation

This Issue includes a right exercisable by you to renounce the Rights Equity Shares offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that we shall not Allot and/ or register the Rights Equity Shares in favour of more than three persons (including joint holders), partnership firm(s) or their nominee(s), minors, HUF, any trust or society (unless the same is registered under the Societies Registration Act, 1860 or the Indian Trust Act, 1882 or any other applicable law relating to societies or trusts and is authorized under its constitution or bye-laws to hold Equity Shares, as the case may be). Additionally, existing Eligible Equity Shareholders may not renounce in favour of persons or entities in the U.S., or to, or for the account or benefit of a “U.S. Person” (as defined in Regulation S), or who would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities laws.

Any renunciation other than as stated above is subject to the renouncer(s)/renounee(s) obtaining the approval of the FIPB and/or necessary permission of the RBI under the FEMA and such permissions should be attached to the CAF or SAF. In case of Applications which are not accompanied by the aforesaid approvals, our Board reserves the right to reject such CAF or SAF.

Renunciations by OCBs

By virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, OCBs have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Accordingly, the existing Eligible Equity Shareholders who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renounee shall not renounce the same (whether for consideration or otherwise) in favour of OCB(s).

The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/ 2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. Shareholders renouncing their rights in favour of OCBs may do so provided such Renounee obtains a prior approval from the RBI. On submission of such approval to us at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the CAF.

Part ‘A’ of the CAF must not be used by any person(s) other than those in whose favour this Issue has been made. If used, this will render the application invalid. Submission of the CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part ‘B’ of the CAF) duly filled in shall be conclusive evidence for us of the fact of renouncement to the person(s) applying for Rights Equity Shares in Part ‘C’ of the CAF for the purposes of Allotment of such Rights Equity Shares. The Renounees applying for all the Rights Equity Shares renounced in their favour may also apply for additional Rights Equity Shares. Part ‘A’ of the CAF must not be used by the Renounee(s) as this will render the application invalid. Renounee(s) will have no further right to renounce any Rights Equity Shares in favour of any other person. In terms of Regulation 6 of Notification No. FEMA 20 12000-RB dated May 3, 2000, as amended from time to time, only the existing Non-Resident shareholders may subscribe for additional equity shares over and above the equity shares offered on rights basis by our Company.

The right of renunciation is subject to the express condition that our Board shall be entitled in its absolute discretion to reject the application from the Renounees without assigning any reason thereof.

Procedure for renunciation**To renounce all the Rights Equity Shares offered to an Equity Shareholder in favour of one Renounee**

If you wish to renounce the Rights Entitlement indicated in Part ‘A’, in whole, please complete Part ‘B’ of the CAF. In case of joint holding, all joint holders must sign Part ‘B’ of the CAF. The person in whose favour renunciation has been made should complete and sign Part ‘C’ of the CAF. In case of joint Renounees, all joint Renounees must sign Part ‘C’ of the CAF.

To renounce in part/ or renounce the whole to more than one person(s)

If you wish to either accept this offer in part and renounce the balance or renounce the entire Rights Entitlement under this Issue in favour of two or more Renouncees, the CAF must be first split into requisite number of SAFs. Please indicate your requirement of SAFs in the space provided for this purpose in Part 'D' of the CAF and return the entire CAF to the Registrar to the Issue so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs as mentioned herein. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Eligible Equity Shareholder(s), who has renounced the Rights Equity Shares, does not match with the specimen registered with us/ Depositories, the application is liable to be rejected.

Renouncee(s)

The person(s) in whose favour the Equity Shares are renounced should fill in and sign Part 'C' of the CAF and submit the entire CAF to the Banker to the Issue or to any of the collection branches of the Bankers to the Issue as mentioned in the reverse of the CAF on or before the Issue Closing Date along with the application money in full. The Renouncee cannot further renounce.

Change and/ or introduction of additional holders

If you wish to apply for the Rights Equity Shares jointly with any other person(s), not more than three (including you), who is/ are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

However, this right of renunciation is subject to the express condition that our Board shall be entitled in its absolute discretion to reject the request for Allotment from the Renouncee(s) without assigning any reason thereof.

Instructions for Options

The summary of options available to the Eligible Equity Shareholder is presented below. You may exercise any of the following options with regard to the Rights Equity Shares offered, using the CAF:

S. No	Option Available	Action Required
(i)	Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A (All joint holders must sign in the same sequence)
(ii)	Accept your Rights Entitlement in full and apply for additional Rights Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of Rights Entitlement and Block IV relating to additional Equity Shares (All joint holders must sign in the same sequence)
(iii)	Accept a part of your Rights Entitlement and renounce the balance to one or more Renouncee(s) OR Renounce your Rights Entitlement of all the Rights Equity Shares offered to you to more than one Renouncee	Fill in and sign Part D (all joint holders must sign in the same sequence) requesting for SAFs. Send the CAF to the Registrar to the Issue so as to reach them on or before the last date for receiving requests for SAFs. Splitting will be permitted only once. On receipt of the SAF take action as indicated below. For the Equity Shares you wish to accept, if any, fill in and sign Part A. For the Rights Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Equity Shares renounced and hand it over to the Renouncee. Each of the Renouncee should fill in and sign Part C for the Equity Shares accepted by them.

(iv)	Renounce your Rights Entitlement in full to one person (Joint Renouncees are considered as one)	Fill in and sign Part B (all joint holders must sign in the same sequence) indicating the number of Equity Shares renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C (All joint Renouncees must sign)
(v)	Introduce a joint holder or change the sequence of joint holders	This will be treated as a renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C.

In case of Rights Equity Shares held in physical form, applicants must provide information in the CAF as to their respective bank account numbers, name of the bank, to enable the Registrar to print the said details on the refund order. Failure to comply with this may lead to rejection of application. In case of Rights Equity Shares held in demat form, bank account details furnished by the Depositories will be printed on the refund order.

Please note that:

- Options (iii), (iv) and (v) will not be available for Eligible Equity Shareholders applying through ASBA process.
- Part 'A' of the CAF must not be used by any person(s) other than the Eligible Equity Shareholder to whom this Draft Letter of Offer has been addressed. If used, this will render the application invalid.
- Request for SAF should be made for a minimum of one Equity Share or, in either case, in multiples thereof, and one SAF for the balance corresponding Rights Equity Shares, if any.
- Request by the Eligible Equity Shareholder for the SAFs should reach the Registrar on or before [●].
- Only the Eligible Equity Shareholder to whom the Letter of Offer has been addressed shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split further.
- SAFs will be sent to the Eligible Equity Shareholder(s) by post at the Applicant's sole risk.
- Eligible Equity Shareholders may not renounce in favour of persons or entities in the restricted jurisdictions including the U.S. or to or for the account or benefit of a "U.S. Person" (as defined in Regulation S), or who would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities laws.
- Submission of the CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part 'B' of the CAF) duly filled in shall be conclusive evidence for us of the person(s) applying for Rights Equity Shares in Part 'C' of the CAF to receive Allotment of such Rights Equity Shares.
- While applying for or renouncing their Rights Entitlement, joint Equity Shareholders must sign the CAF in the same order as per specimen signatures recorded with us or the Depositories.
- *Non-resident Eligible Equity Shareholders:* Application(s) received from Non-Resident/ NRIs, or persons of Indian origin residing abroad for allotment of Rights Equity Shares allotted as a part of this Issue shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, allotment of Rights Equity Shares, subsequent issue and allotment of Rights Equity Shares, interest, export of share certificates, etc. In case a Non-Resident or NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Applications not accompanied by the aforesaid approvals are liable to be rejected.
- Applicants must write their CAF number at the back of the cheque / demand draft.
- The RBI has mandated that CTS 2010 compliant cheques can only be presented in clearing hence the CAFs accompanied by non-CTS cheques could get rejected.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Eligible Equity Shareholder, the Registrar to the Issue will issue a duplicate CAF on the request of the Eligible Equity Shareholder who should furnish the registered folio number/ DP and Client ID number and his/ her full name and address to the Registrar to the Issue. Please note that the request for duplicate CAF should reach the Registrar to the Issue at least 7 days prior to the Issue Closing Date. Please note that those who are making the application in the duplicate form should not utilize the original CAF

for any purpose including renunciation, even if it is received/ found subsequently. If the Eligible Equity Shareholder violates such requirements, he/ she shall face the risk of rejection of either original CAF or both the applications.

Neither the Registrar nor the Lead Manager or our Company, shall be responsible for postal delays or loss of duplicate CAFs in transit, if any.

Application on Plain Paper (Non - ASBA)

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with account payee cheque drawn on a bank payable at par, pay order/demand draft (after deducting banking and postal charges) payable at Delhi/New Delhi which should be drawn in favour of “**Capital India Finance Limited – Rights Issue - R**” in case of resident shareholders and non-resident shareholders applying on non-repatriable basis and in favour of “**Capital India Finance Limited – Rights Issue – NR**” in case of non-resident shareholders applying on repatriable basis and send the same by registered post directly to the Registrar to the Issue so as to reach Registrar to the Issue on or before the Issue Closing Date. The envelope should be super scribed “**Capital India Finance Limited – Rights Issue - R**” in case of resident shareholders and Non-resident shareholders applying on non-repatriable basis, and “**Capital India Finance Limited – Rights Issue – NR**” in case of non-resident shareholders applying on repatriable basis.

The application on plain paper, duly signed by the applicant(s) including joint holders, in the same order as per specimen recorded with us or the Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

- Name of Issuer, being **Capital India Finance Limited**;
- Name and address of the Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID no.;
- Number of Rights Equity Shares held as on Record Date;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount paid at the rate of ₹[●] per Rights Equity Share;
- Particulars of cheque/ demand draft;
- Savings/ current account number and name and address of the bank where the Eligible Equity Shareholder will be depositing the refund order. In case of Rights Equity Shares allotted in demat form, the bank account details will be obtained from the information available with the Depositories;
- Except for applications on behalf of the Central or State Government and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue; Documentary evidence for exemption to be provided by the applicants;
- Share certificate numbers and distinctive numbers of Rights Equity Shares, if held in physical form;
- Allotment option preferred - physical or demat form, if held in physical form;
- If the payment is made by a draft purchased from NRE/ FCNR/ NRO account, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account;
- Signature of the Applicant to appear in the same sequence and order as they appear in our records / Depositories; and
- For ASBA Investors, application on plain paper should have details of their ASBA Account.
- Additionally, all such applicants are deemed to have accepted the following:

“I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a “U.S. Person” as defined in Regulation S, and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the Eligible Equity Shareholder violates such requirements, he/ she shall face the risk of rejection of both the applications. We shall refund such application amount to the Eligible Equity Shareholder without any interest thereon and no liability shall arise on part of our Company, Lead Manager and our Directors. In cases where multiple CAFs are submitted, including cases where an investor submits CAFs along with a plain paper application, such applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper application format will be available on the website of the Registrar to the Issue.

Last date for Application

The last date for submission of the duly filled in CAF is [●]. Our Board may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the CAF together with the amount payable is not received by the Banker to the Issue/ Registrar to the Issue on or before the close of banking hours on the aforesaid last date or such date as may be extended by our Board or any authorised committee thereof, the invitation to offer contained in this Draft Letter of Offer shall be deemed to have been declined and our Board or any authorised committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered.

PROCEDURE FOR APPLICATION THROUGH THE APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (“ASBA”) PROCESS

This section is for the information of the ASBA Investors proposing to subscribe to the Issue through the ASBA Process. The Lead Manager and we are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors who are eligible to apply under the ASBA Process are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

The Lead Manager, we, our Directors, Affiliates, Associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to applications accepted by SCSBs, applications uploaded by SCSBs, applications accepted but not uploaded by SCSBs or applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for applications uploaded by SCSBs, the amount payable on application has been blocked in the relevant ASBA Account.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, all QIB Applicants, Non-Institutional Investors and other Applicants whose application amount exceeds ₹2,00,000, complying with the eligibility conditions of SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, can participate in the Issue only through the ASBA process. The Investors who are not (i) QIBs, (ii) Non-

Institutional Investors or (iii) Investors whose application amount is more than ₹2,00,000, can participate in the Issue either through the ASBA process or the non ASBA process. Renouncees are not eligible ASBA investors and must only apply for the Rights Equity Shares through the non ASBA process. ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please see “General Terms of the Issue” on page 188.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in their own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, in accordance with the applicable regulations.

Self-Certified Syndicate Banks

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA Process is provided on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html and/or such other website(s) as may be prescribed by the SEBI or Stock Exchange(s) from time to time. For details on Designated Branches of SCSBs collecting the CAF, please refer the above mentioned SEBI link.

Eligible Equity Shareholders who are eligible to apply under the ASBA Process

The option of applying for Rights Equity Shares through the ASBA Process is available only to the Eligible Equity Shareholders on the Record Date.

To qualify as ASBA Applicants, Eligible Equity Shareholders:

- are required to hold Rights Equity Shares in dematerialized form as on the Record Date and apply for: (i) their Rights Entitlement; or (ii) their Rights Entitlement and Rights Equity Shares in addition to their Rights Entitlement in dematerialized form;
- should not have renounced their Right Entitlement in full or in part;
- should not have split the CAF and further renounced it;
- should not be Renouncees;
- should apply through blocking of funds in bank accounts maintained with SCSBs; and
- are eligible under applicable securities laws to subscribe for the Rights Entitlement and the Rights Equity Shares in the Issue.

CAF

The Registrar will dispatch the CAF to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date for the Issue. Those Eligible Equity Shareholders who must apply or who wish to apply through the ASBA will have to select for this ASBA payment mechanism in Part A of the CAF and provide necessary details.

Eligible Equity Shareholders desiring to use the ASBA Process are required to submit their applications by selecting the ASBA option in Part A of the CAF. Application in electronic mode will only be available with such SCSBs who provide such facility. The Eligible Equity Shareholder shall submit the CAF to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the ASBA Account.

More than one ASBA Investor may apply using the same ASBA Account, provided that SCSBs will not accept a total of more than five CAFs with respect to any single ASBA Account as provided for under the SEBI Circular dated December 30, 2009.

Acceptance of the Issue under the ASBA process

You may accept the Issue and apply for the Rights Equity Shares either in full or in part, by filling Part A of the respective CAFs sent by the Registrar, selecting the ASBA option in Part A of the CAF and submit the same to the

Designated Branch of the SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board or any committee thereof in this regard.

Mode of payment under the ASBA process

The Eligible Equity Shareholder applying under the ASBA Process agrees to block the entire amount payable on application with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the amount payable on application, in an ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the CAF, the SCSB shall block an amount equivalent to the amount payable on application mentioned in the CAF until it receives instructions from the Registrar. Upon receipt of instructions from the Registrar, the SCSBs shall transfer amount to the extent of Rights Equity Shares allotted in the Rights Issue as per the Registrar's instruction from the ASBA Account. This amount will be transferred in terms of the SEBI ICDR Regulations, into the separate bank account maintained by our Company for the purpose of the Issue. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar and the Lead Manager to the respective SCSB.

The Eligible Equity Shareholders applying under the ASBA Process would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the CAF.

The SCSB may reject the application at the time of acceptance of CAF if the ASBA Account, details of which have been provided by the Equity Shareholder in the CAF does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF. Subsequent to the acceptance of the application by the SCSB, we would have a right to reject the application only on technical grounds.

Please note that in accordance with the provisions of the SEBI circular number CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs and Non-Institutional Investors complying with the eligibility conditions prescribed under the SEBI circular dated December 30, 2009 must mandatorily invest through the ASBA process.

A Retail Individual Investor applying for a value of up to ₹2,00,000, can participate in the Issue either through the ASBA process or non-ASBA process.

Options available to the Eligible Equity Shareholders applying under the ASBA Process

The summary of options available to the Eligible Equity Shareholders is presented below. You may exercise any of the following options with regard to the Rights Equity Shares, using the respective CAFs received from Registrar:

	Option Available	Action Required
1.	Accept whole or part of your Rights Entitlement without renouncing the balance	Fill in and sign Part A of the CAF (All joint holders must sign)
2.	Accept your Rights Entitlement in full and apply for additional Rights Equity Shares	Fill in and sign Part A of the CAF including Block III relating to the acceptance of entitlement and Block IV relating to additional Rights Equity Shares (All joint holders must sign)

The Eligible Equity Shareholders applying under the ASBA Process will need to select the ASBA process option in the CAF and provide required necessary details. However, in cases where this option is not selected, but the CAF is tendered to the designated branch of the SCSBs with the relevant details required under the ASBA process option and the SCSBs block the requisite amount, then that CAF would be treated as if the Eligible Equity Shareholder has selected to apply through the ASBA process option.

Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above the number of Rights Equity Shares that you are entitled to, provided that you are eligible to apply for the Rights Equity Shares under applicable law and you have applied for all the Rights Equity Shares (as the case may be) offered without renouncing them in whole or

in part in favour of any other person(s). Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made at the sole discretion of our Board, in consultation with the Designated Stock Exchange and in the manner prescribed under “*Terms of the Issue*” on page 188.

If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Equity Shares in Part A of the CAF. The Renouncee applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares.

Renunciation under the ASBA Process

ASBA Investors can neither be Renouncees, nor can renounce their Rights Entitlement.

Application on Plain Paper under the ASBA process

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is applying under the ASBA Process may make an application to subscribe to the Issue on plain paper. The Equity Shareholder shall submit the plain paper application to the Designated Branch of SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper from any address outside India will not be accepted.

The envelope should be super scribed “***Capital India Finance Limited– Rights Issue- R***” or “***Capital India Finance Limited – Rights Issue- NR***”, as the case may be. The application on plain paper, duly signed by the Investors including joint holders, in the same order as per the specimen recorded with us or the Depositories, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of Issuer, being Capital India Finance Limited;
- Name and address of the Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID no.;
- Certificate numbers and distinctive numbers of Rights Equity Shares, if held in physical form;
- Number of Rights Equity Shares held as on Record Date;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount to be paid at the rate of ₹[●] per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of non-resident investors, details of the NRE/ FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for applications on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts (subject to submitting sufficient documentary evidence in support of their claim for exemption, provided that such transactions are undertaken on behalf of the Central and State Government and not in their personal capacity), PAN of the Investor and for each Investor in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue;
- Signature of the Shareholders to appear in the same sequence and order as they appear in our records or depositories records; and
- Additionally, all such applicants are deemed to have accepted the following:

“I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a “U.S. Person” as defined in (“**Regulation S**”), and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the Investor violates such requirements, he/she shall face the risk of rejection of both the applications. We shall refund such application amount to the Investor without any interest thereon.

Option to receive Rights Equity Shares in Dematerialized Form

ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE RIGHTS EQUITY SHARES ARE HELD BY SUCH ASBA APPLICANT ON THE RECORD DATE.

General instructions for Eligible Equity Shareholders applying under the ASBA Process

- 1) Please read the instructions printed on the CAF carefully.
- 2) Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of this Draft Letter of Offer and the Abridged Letter of Offer are liable to be rejected. The CAF must be filled in English. No correction of name, folio/DP client id etc., should be made in the printed CAF sent.
- 3) ASBA Applicants are required to select this mechanism in Part A of the CAF and provide necessary details, including details of the ASBA Account, authorizing the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the CAF, and including the signature of the ASBA Account holder if the ASBA Account holder is different from the Applicant.
- 4) The CAF/plain paper application in the ASBA Process should be submitted at a Designated Branch of the SCSB and whose ASBA Account/ bank account details are provided in the CAF and not to the Banker to the Issue/ Collecting Banks (assuming that such Collecting Bank is not a SCSB), to us or Registrar or Lead Manager to the Issue.
- 5) All applicants, and in the case of application in joint names, each of the joint applicants, should mention his/ her PAN allotted under the IT Act, irrespective of the amount of the application. Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, **CAFs without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no allotment and credit of Rights Equity Shares shall be made into the accounts of such Investors.**
- 6) All payments will be made by blocking the amount in the ASBA Account. Cash payment or payment by cheque/ demand draft/ pay order is not acceptable. In case payment is affected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

- 7) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Eligible Equity Shareholders must sign the CAF as per the specimen signature recorded with us and/ or Depositories.
- 8) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with the depository/ us. In case of joint applicants, reference, if any, will be made in the first applicant's name and all communication will be addressed to the first applicant.
- 9) All communication in connection with application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of Allotment in this Issue quoting the name of the first/ sole applicant Equity Shareholder, folio numbers and CAF number.
- 10) Only the person or persons to whom the Rights Equity Shares have been offered and not renouncee(s) shall be eligible to participate under the ASBA process.
- 11) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.
- 12) Only the Eligible Equity Shareholders holding shares in demat are eligible to participate through ASBA process.
- 13) Eligible Equity Shareholders who have renounced their entitlement in part/ full are not entitled to apply using ASBA process.
- 14) Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, all QIB Applicants, Non-Institutional Investors and other Applicants whose application amount exceeds ₹ 2,00,000, complying with the eligibility conditions of SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, can participate in the Issue only through the ASBA process. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors or (iii) Investors whose application amount is more than ₹ 2,00,000, can participate in the Issue either through the ASBA process or the non ASBA process. Renouncees are not eligible ASBA investors and must only apply for the Rights Equity Shares through the non ASBA process. ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please see "Terms of the Issue – Procedure for Application" on page 188.
- 15) Please note that subject to SCSBs complying with the requirements of SEBI circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.
- 16) Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in their own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in their own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, in accordance with the applicable regulations.
- 17) In case of non - receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under the heading "*Application on Plain Paper*" on page 195 and 199 respectively.

Do's:

- 1) Ensure compliance with eligibility conditions prescribed under the SEBI circular no. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009.
- 2) Ensure that the ASBA Process option is selected in part A of the CAF and necessary details are filled in.
- 3) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Rights Equity Shares will be allotted in the dematerialized form only.
- 4) Ensure that the CAFs are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the CAF.
- 5) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares as the case may be applied for} X {Issue Price of Rights Equity Shares, as the case may be}) available in the ASBA Account mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.
- 6) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF, in the ASBA Account, of which details are provided in the CAF and have signed the same.
- 7) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the CAF in physical form.
- 8) Except for CAFs submitted on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, each applicant should mention their PAN allotted under the Income Tax Act.
- 9) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.
- 10) Ensure that the Demographic Details are updated, true and correct, in all respects.
- 11) Ensure that the account holder in whose bank account the funds are to be blocked has signed authorising such funds to be blocked.
- 12) Apply under ASBA process only if you comply with the definition of an ASBA Investor.

Don'ts:

- Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.
- Do not pay the amount payable on application in cash, by money order, by pay order or by postal order.
- Do not send your physical CAFs to the Lead Manager/ Registrar/ Collecting Banks (assuming that such Collecting Bank is not a SCSB)/ to a branch of the SCSB which is not a Designated Branch of the SCSB/ Company; instead submit the same to a Designated Branch of the SCSB only.
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- Do not apply if the ASBA account has already been used for five Eligible Equity Shareholders.
- Do not apply through the ASBA Process if you are not an ASBA Investor.
- Do not instruct the SCSBs to release the funds blocked under the ASBA Process.

Grounds for Technical Rejections under the ASBA Process

In addition to the grounds listed under “Grounds for Technical Rejections for non-ASBA Investors” on page 212, applications under the ASBA Process are liable to be rejected on the following grounds:

- Application on a SAF
- Application for allotment of Rights Entitlements or additional Rights Equity Shares which are in physical form.
- DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.
- Submission of an ASBA application on plain paper to a person other than a SCSB.
- Sending CAF to a Lead Manager/ Registrar/ Collecting Bank (assuming that such Collecting Bank is not a SCSB)/ to a branch of a SCSB which is not a Designated Branch of the SCSB/ Company.
- Insufficient funds being available with the SCSB for blocking the amount.
- Funds in the bank account with the SCSB whose details have been mentioned in the CAF / Plain Paper Application having been frozen pursuant to regulatory order.

- ASBA Account holder not signing the CAF or declaration mentioned therein.
- CAFs which have evidence of being executed in/ dispatched from a restricted jurisdiction or executed by or for the account or benefit of a U.S. Person (as defined in Regulation S).
- Renounees applying under the ASBA Process.
- Submission of more than five CAFs per ASBA Account.
- QIBs, Non-Institutional Investors and other Eligible Shareholders applying for Rights Equity Shares in the Issue for value of more than ₹ 2,00,000 who hold Equity Shares in dematerialised form and is not a renouncer or a Renouncee not applying through the ASBA process.
- The application by an Eligible Shareholder whose cumulative value of Rights Equity Shares applied for is more than ₹2,00,000 but has applied separately through split CAFs of less than ₹ 2,00,000 and has not done so through the ASBA process.
- Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application.
- Submitting the GIR number instead of the PAN.
- An investor, who is not complying with any or all of the conditions for being an ASBA Investor, applies under the ASBA process.
- Applications by persons not competent to contract under the Contract Act, 1872, as amended, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- Failure to mention an Indian address in the Application. Application with foreign address shall be liable to be rejected.
- If an Investor is (a) debarred by SEBI and/or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlement.
- ASBA Bids by SCSBs applying through the ASBA process on own account, other than through an ASBA Account in its own name with any other SCSB.

Depository account and bank details for Eligible Equity Shareholders applying under the ASBA Process

IT IS MANDATORY FOR ALL THE ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE RIGHTS EQUITY SHARES ARE HELD BY THE EQUITY SHAREHOLDER ON THE RECORD DATE. ALL ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF / PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Eligible Equity Shareholders applying under the ASBA Process should note that on the basis of name of these Eligible Equity Shareholders, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF / plain paper applications, as the case may be, the Registrar to the Issue will obtain from the Depository demographic details of these Eligible Equity Shareholders such as address, bank account details for printing on refund orders and occupation ("Demographic Details"). Hence, Eligible Equity Shareholders applying under the ASBA Process should carefully fill in their Depository Account details in the CAF.

These Demographic Details would be used for all correspondence with such Eligible Equity Shareholders including mailing of the letters intimating unblocking of their respective ASBA Accounts. The Demographic Details given by the Eligible Equity Shareholders in the CAF would not be used for any other purposes by the Registrar. Hence, Eligible Equity Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the CAFs, the Eligible Equity Shareholders applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Letters intimating Allotment and unblocking the funds would be mailed at the address of the Eligible Equity Shareholder applying under the ASBA Process as per the Demographic Details received from the Depositories. The Registrar to the Issue will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Eligible Equity Shareholders. Eligible Equity Shareholders applying under the ASBA Process may note that delivery of letters intimating unblocking of the funds may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Eligible Equity Shareholder in the CAF would be used only to ensure dispatch of letters intimating unblocking of the ASBA Accounts.

Note that any such delay shall be at the sole risk of the Eligible Equity Shareholders applying under the ASBA Process and none of us, the SCSBs or the Lead Manager shall be liable to compensate the Eligible Equity Shareholder applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Eligible Equity Shareholders (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such applications are liable to be rejected.

Issue Schedule

Issue Opening Date:	[●]
Last date for receiving requests for SAFs:	[●]
Issue Closing Date:	[●]

The Board may however decide to extend the Issue period, as it may determine from time to time, but not exceeding 30 days from the Issue Opening Date.

Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, CAF, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

- i. Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/ have applied for Equity Shares renounced in their favour, in full or in part.
- ii. Investors whose fractional entitlements are being ignored and Eligible Equity Shareholders with Zero entitlement would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Share. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (i) above. If number of Equity Shares required for Allotment under this head are more than number of Equity Shares available after Allotment under (i) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange, as a part of Issue and will not be a preferential allotment.
- iii. Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of the Issue and have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there is an unsubscribed portion after making full Allotment in (i) and (ii) above. The Allotment of such Equity Shares will be at the sole discretion of our Board/Committee in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- iv. Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (i), (ii) and (iii) above. The Allotment of such Equity Shares will be at the sole discretion of our Board/ Committee of

Directors in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

- v. Allotment to any other person that the Board as it may deem fit provided there is surplus available after making Allotment under (i), (ii), (iii) and (iv) above, and the decision of the Board in this regard shall be final and binding.

Our Promoter, vide letter dated January 11, 2018, has confirmed that they intend to subscribe to their Rights Entitlement in full in the Issue, in compliance with regulation 10(4) of the SEBI Takeover Regulations and may subscribe to additional Rights Equity Shares (including any unsubscribed portion of the Issue), subject to their total investment in the Issue including subscription towards Rights Entitlement does not fall below the permissible minimum level as specified in the applicable laws, including but not limited to, Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and entered with the Stock Exchanges and the Securities Contract (Regulations) Rules, 1957.

Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares (including any unsubscribed portion of the Issue) shall be exempt in terms of Regulation 10 (4) (a) and (b) of the SEBI Takeover Regulations subject to fulfilment of conditions mentioned therein and shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations.

After taking into account Allotment to be made under (i) to (v) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Equity Shares in the Issue, along with:

- 1) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Investors;
- 2) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- 3) The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Underwriting

The issue is proposed not to be underwritten.

Allotment Advices/ Refund Orders

Our Company will issue and dispatch allotment advice/ share certificates/ demat credit and/ or letters of regret along with refund order or credit the allotted Equity Shares to the respective beneficiary accounts, if any, within 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

Investors residing at centres where clearing houses are managed by the Reserve Bank of India ("RBI"), payment of refund would be done through NACH except where Investors have not provided the details required to send electronic refunds.

In case of those Investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, advice regarding their credit of the Rights Equity Shares shall be given separately. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date.

In case of those Investors who have opted to receive their Rights Entitlement in physical form and our Company issues letter of allotment, the corresponding Rights Equity Share certificates will be kept ready within two months

from the date of Allotment thereof under section 56 of the Companies Act or other applicable provisions, if any. Investors are requested to preserve such letters of allotment, which would be exchanged later for the Rights Equity Share certificates.

The letter of allotment/ refund order would be sent by registered post/ speed post to the sole/ first Investor's registered address in India or the Indian address provided by the Eligible Equity Shareholders from time to time. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favour of the sole/ first Investor. Adequate funds would be made available to the Registrar to the Issue for this purpose.

Our Company shall ensure at par facility is provided for encashment of refund orders or pay orders at the places where applications are accepted.

As regards allotment/refund to Non-residents, the following further conditions shall apply:

In the case of Non-resident Shareholders or Investors who remit their Application Money from funds held in NRE/FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts, the details of which should be furnished in the CAF. Subject to the applicable laws and other approvals, in case of Non-resident Shareholders or Investors who remit their application money through Indian Rupee demand drafts purchased from abroad, refund and/or payment of dividend or interest and any other disbursement, shall be credited to such accounts and will be made after deducting bank charges or commission in US Dollars, at the rate of exchange prevailing at such time. Our Company will not be responsible for any loss on account of exchange rate fluctuations for conversion of the Indian Rupee amount into US Dollars. The Share Certificate(s) will be sent by registered post / speed post to the address in India of the Non-Resident Shareholders or Investors.

The Draft Letter of Offer/ Abridged Letter of Offer and the CAF shall be dispatched to only such Non-resident Shareholders who have a registered address in India or have provided an Indian address.

Payment of Refund

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription, would be done through any of the following modes:

- 1 NACH – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- 2 National Electronic Fund Transfer ("NEFT") - Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

- 3 Direct Credit - Investors having bank accounts with the Banker to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- 4 RTGS - If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the CAF. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
- 5 For all other Investors the refund orders will be dispatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.
- 6 Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time.

Refund payment to Non- resident

Where applications are accompanied by Indian rupee drafts purchased abroad and payable at Delhi/New Delhi, refunds will be made in the Indian rupees based on the U.S. dollars equivalent which ought to be refunded. Indian rupees will be converted into U.S. dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned applicant and our Company shall not bear any part of the risk.

Where the applications made are accompanied by NRE/FCNR/NRO cheques, refunds will be credited to NRE/FCNR/NRO accounts respectively, on which such cheques were drawn and details of which were provided in the CAF.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders/ refund warrants which can then be deposited only in the account specified. We will in no way be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice/ Share Certificates/ Demat Credit

Allotment advice/ Share Certificates/ demat credit or letters of regret will be dispatched to the registered address of the first named Investor or respective beneficiary accounts will be credited within the timeline prescribed under applicable law. In case our Company issues Allotment advice, the respective Share Certificates will be dispatched within one month from the date of the Allotment. Allottees are requested to preserve such allotment advice (if any) to be exchanged later for Share Certificates.

Option to receive Equity Shares in Dematerialized Form

Investors shall be allotted the Equity Shares in dematerialized (electronic) form at the option of the Investor. We have signed a tripartite agreement with NSDL and the Registrar to the Issue on January 30, 2006, which enables the Investors to hold and trade in Equity Shares in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates. We have also signed a tripartite agreement with CDSL and the Registrar to the Issue on March 29, 2006, which enables the Investors to hold and trade in Equity Shares in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

In this Issue, the Allottees who have opted for Rights Equity Shares in dematerialized form will receive their Rights Equity Shares in the form of an electronic credit to their beneficiary account as given in the CAF, after verification

with a depository participant. Investor will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice, refund order (if any) would be sent directly to the Investor by the Registrar to the Issue but the Investor's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Investor's depository account. CAFs, which do not accurately contain this information, will be given the Equity Shares in physical form. No separate CAFs for Equity Shares in physical and/ or dematerialized form should be made. If such CAFs are made, the CAFs for physical Rights Equity Shares will be treated as multiple CAFs and is liable to be rejected. In case of partial Allotment, Allotment will be done in demat option for the Rights Equity Shares sought in demat and balance, if any, will be allotted in physical Rights Equity Shares. Eligible Shareholders of our Company holding Equity Shares in physical form may opt to receive Rights Equity Shares in the Issue in dematerialized form.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the electronic form is as under:

- Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in our records. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in our records). In case of Investors having various folios with different joint holders, the Investors will have to open separate accounts for such holdings. Those Eligible Equity Shareholders who have already opened such beneficiary account(s) need not adhere to this step.
- For Eligible Equity Shareholders already holding Equity Shares in dematerialized form as on the Record Date, the beneficiary account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Equity Shares by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of Equity Shares arising out of this Issue may be made in dematerialized form even if the original Equity Shares are not dematerialized. Nonetheless, it should be ensured that the depository account is in the name(s) of the Eligible Equity Shareholders and the names are in the same order as in our records.
- The responsibility for correctness of information (including Investor's age and other details) filled in the CAF vis-à-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in CAF should be the same as registered with the Investor's depository participant.
- If incomplete / incorrect beneficiary account details are given in the CAF, the Investor will get Rights Equity Shares in physical form.
- The Rights Equity Shares allotted to applicants opting for issue in dematerialized form, would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the applicant by the Registrar to the Issue but the applicant's depository participant will provide to the applicant the confirmation of the credit of such Equity Shares to the applicant's depository account. It may be noted that Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL.
- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the application is liable to be rejected.
- Non-transferable allotment advice/refund orders will be directly sent to the Investors by the Registrar.

- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Eligible Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

General instructions for non-ASBA Investors

- (i) Please read the instructions printed on the CAF carefully.
 - (ii) Applicants that are not QIBs or are not Non – Institutional Investor or those who's Application Money does not exceed ₹200,000 may participate in the Issue either through ASBA or the non-ASBA process. Eligible Equity Shareholders who have renounced their entitlement (in full or in part), Renouncees and Applicants holding Equity Shares in physical form and/or subscribing in the Issue for Allotment in physical form may participate in the Issue only through the non ASBA process.
 - (iii) Application should be made on the printed CAF, provided by us except as mentioned under the head "Application on Plain Paper" on page 195 and 199 respectively and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of this Draft Letter of Offer or Abridged Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the Investors, details of occupation, address, father's/ husband's name must be filled in block letters.
 - (iv) Eligible Equity Shareholders participating in the Issue other than through ASBA are required to fill Part A of the CAF and submit the CAF along with Application Money before close of banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board in this regard. The CAF together with the cheque/ demand draft should be sent to the Banker to the Issue/ Collecting Bank or to the Registrar to the Issue and not to us or Lead Manager to the Issue. Investors residing at places other than cities where the branches of the Banker to the Issue have been authorised by us for collecting applications, will have to make payment by demand draft payable at Delhi/New Delhi of an amount net of bank and postal charges and send their CAFs to the Registrar to the Issue by registered post/speed post. If any portion of the CAF is/ are detached or separated, such application is liable to be rejected. **CAF's received after banking hours on closure day will be liable for rejection.**
- Applications where separate cheques/demand drafts are not attached for amounts to be paid for Equity Shares are liable to be rejected. Applications accompanied by cash, postal order or stockinvest are liable to be rejected.**
- (v) Except for applications on behalf of the Central and State Government, the residents of Sikkim and the officials appointed by the courts, all Investors, and in the case of application in joint names, each of the joint Investors, should mention his/ her PAN allotted under the Income Tax Act, irrespective of the amount of the application. CAFs without PAN will be considered incomplete and are liable to be rejected.
 - (vi) Investors, holding Equity Shares in physical form, are advised that it is mandatory to provide information as to their savings/current account number, the nine digit MICR number and the name of the bank with whom such account is held in the CAF to enable the Registrar to the Issue to print the said details in the refund orders, if any, after the names of the payees. Application not containing such details is liable to be rejected.
 - (vii) All payment should be made by cheque/ demand draft only. Application through the ASBA process as mentioned above is acceptable. Cash payment is not acceptable. In case payment is affected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.
 - (viii) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Eligible Equity Shareholders must sign the CAF as per the specimen signature recorded with us/ Depositories.

- (ix) In case of an application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under this Issue and to sign the application and certified true a copy of the Memorandum and Articles of Association and/ or bye laws of such body corporate or society must be lodged with the Registrar to the Issue giving reference of the serial number of the CAF. In case the above referred documents are already registered with us, the same need not be a furnished again. In case these papers are sent to any other entity besides the Registrar to the Issue or are sent after the Issue Closing Date, then the application is liable to be rejected. In no case should these papers be attached to the application submitted to the Banker to the Issue.
- (x) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with us or the Depositories. Further, in case of joint Investors who are Renouncees, the number of Investors should not exceed three. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.
- (xi) Application(s) received from NRs/ NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA, including regulations relating to QFI's, in the matter of refund of application money, Allotment of Equity Shares, subsequent issue and Allotment of Equity Shares, interest, export of share certificates, etc. In case a NR or NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Additionally, applications will not be accepted from NRs/ NRIs in the U.S. or its territories and possessions, or any other jurisdiction where the offer or sale of the Rights Entitlements and Equity Shares may be restricted by applicable securities laws.
- (xii) All communication in connection with application for the Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of Allotment in this Issue quoting the name of the first/ sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of Eligible Equity Shareholders, after the date of Allotment, should be sent to our Registrar and Transfer Agent, in the case of Equity Shares held in physical form and to the respective depository participant, in case of Equity Shares held in dematerialized form.
- (xiii) SAFs cannot be re-split.
- (xiv) Only the Equity Shareholder(s) and not Renouncee(s) shall be entitled to obtain SAFs.
- (xv) Investors must write their CAF number at the back of the cheque/ demand draft.
- (xvi) Only one mode of payment per application should be used. The payment must be by cheque/ demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the Bankers Clearing House located at the centre indicated on the reverse of the CAF where the application is to be submitted.
- (xvii) A separate cheque/ draft must accompany each CAF. Outstation cheques/ demand drafts or post-dated cheques and postal/ money orders will not be accepted and applications accompanied by such outstation cheques/ outstation demand drafts/ money orders or postal orders will be rejected.
- (xviii) No receipt will be issued for application money received. The Banker to the Issue/ Collecting Bank/ Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.
- (xix) The distribution of this Draft Letter of Offer and issue of Equity Shares and Rights Entitlements to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Persons in such jurisdictions are instructed to disregard this Draft Letter of Offer and not to attempt to subscribe for Equity Shares.

- (xx) Investors are requested to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

Do's for non-ASBA Investors:

- Check if you are eligible to apply i.e. you are an Equity Shareholder on the Record Date;
- Read all the instructions carefully and ensure that the cheque/ draft option is selected in Part A of the CAF and necessary details are filled in;
- In the event you hold Equity Shares in dematerialised form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only;
- Ensure that your Indian address is available with our Company and the Registrar, in case you hold Equity Shares in physical form or the depository participant, in case you hold Equity Shares in dematerialised form;
- Ensure that the value of the cheque/ draft submitted by you is equal to the {(number of Equity Shares applied for) X (Issue Price of Equity Shares, as the case may be)} before submission of the CAF. Investors residing at places other than cities where the branches of the Banker to the Issue have been authorised by us for collecting applications, will have to make payment by demand draft payable at Delhi/New Delhi of an amount net of bank and postal charges;
- Ensure that you receive an acknowledgement from the collection branch of the Banker to the Issue for your submission of the CAF in physical form;
- Ensure that you mention your PAN allotted under the Income Tax Act with the CAF, except for Applications on behalf of the Central and State Governments, residents of the state of Sikkim and officials appointed by the courts;
- Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF;
- Ensure that the demographic details are updated, true and correct, in all respects.

Don'ts for non-ASBA Investors:

- Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction;
- Do not apply on duplicate CAF after you have submitted a CAF to a collection branch of the Banker to the Issue;
- Do not pay the amount payable on application in cash, by money order or by postal order;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit Application accompanied with Stock invest;

Grounds for Technical Rejections for non-ASBA Investors

Investors are advised to note that applications are liable to be rejected on technical grounds, including the following:

- Amount paid does not tally with the amount payable;
- Bank account details (for refund) are not given and the same are not available with the DP (in the case of dematerialized holdings) or the Registrar (in the case of physical holdings);
- Submission of CAFs to the SCSBs;
- Submission of plain paper Applications to any person other than the Registrar to the Issue;
- Age of Investor(s) not given (in case of Renouncees);
- Except for CAFs on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN not given for application of any value;
- In case of CAF under power of attorney or by limited companies, corporate, trust, relevant documents are not submitted;

- If the signature of the Equity Shareholder does not match with the one given on the CAF and for Renouncee(s) if the signature does not match with the records available with their Depositories;
- CAFs are not submitted by the Investors within the time prescribed as per the CAF and this Draft Letter of Offer;
- CAFs not duly signed by the sole/ joint Investors;
- CAFs/ SAFs by OCBs not accompanied by a copy of an RBI approval to apply in this Issue;
- CAFs accompanied by Stockinvest/ outstation cheques/ post-dated cheques/ money order/ postal order/ outstation demand draft;
- In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Investors (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity;
- CAFs that do not include the certifications set out in the CAF to the effect that the subscriber is not a "U.S. Person" (as defined in Regulation S) and does not have a registered address (and is not otherwise located) in the U.S. or other restricted jurisdictions and is authorized to acquire the Rights Entitlements and Equity Shares in compliance with all applicable laws and regulations;
- CAFs which have evidence of being executed in/ dispatched from restricted jurisdictions;
- CAFs by ineligible non-residents (including on account of restriction or prohibition under applicable local laws) and where the registered address in India has not been provided;
- CAFs where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements;
- In case the GIR number is submitted instead of the PAN;
- CAFs submitted by Renouncees where Part B of the CAF is incomplete or is unsigned. In case of joint holding, all joint holders must sign Part 'B' of the CAF;
- Applications by persons not competent to contract under the Contract Act, 1872, as amended, except bids by minors having valid demat accounts as per the demographic details provided by the Depositories.
- Applications by Renouncees who are persons not competent to contract under the Indian Contract Act, 1872, including minors;
- Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application; and
- Applications from QIBs, Non-Institutional Investors or Investors applying in this Issue for Equity Shares for an amount exceeding ₹200,000, not through ASBA process.
- Failure to mention an Indian address in the Application. Application with foreign address shall be liable to be rejected.
- If an Investor is debarred by SEBI and if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlement.
- Non – ASBA applications made by QIBs and Non – Institutional Investors.

Please read this Draft Letter of Offer or Abridged Letter of Offer and the instructions contained therein and in the CAF carefully, before filling the CAF. The instructions contained in the CAF are an integral part of this Draft Letter of Offer and must be carefully followed. The CAF is liable to be rejected for any non-compliance of the provisions contained in this Draft Letter of Offer or the CAF.

Investment by FIIs, FPIs and QFIs

SEBI, On January 07, 2014, notified the SEBI FPI Regulations pursuant to which FIIs, its sub-accounts and QFIs categories of investors were merged to form a new category called 'Foreign Portfolio Investors'. Prior to the notification of the SEBI FPI Regulations, portfolio investments by FIIs and sub-accounts were governed by SEBI under the FII Regulations and portfolio investments by QFIs were governed by various circulars issued by SEBI from time to time (QFI Circulars). Pursuant to the notification of the SEBI FPI Regulations, the FII Regulations were repealed and the QFI Circulars were rescinded.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an Investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our Company's post-Issue Equity Share Capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share Capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid up Equity Share Capital of our Company. The aggregate limit of

24% may be increased up to the sectoral cap by way of a resolution passed by the Board followed by a special resolution passed by the Eligible Equity Shareholders of our Company.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

An FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account (other than a sub-account which is a foreign corporate or a foreign individual) may participate in the Issue, until expiry of its registration as an FII or sub-account or until it obtains a certificate of registration as an FPI, whichever is earlier. If the registration of an FII or sub-account has expired or is about to expire, such FII or sub-account may, subject to payment of conversion fees as applicable under the SEBI FPI Regulations, participate in the Issue. An FII or sub-account shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

Further, in terms of the SEBI (FPI) Regulations, a QFI may continue to buy, sell or otherwise deal in securities, subject to the provisions of the SEBI (FPI) Regulations, until January 06, 2015 (or such other date as may be specified by SEBI) or until the QFI obtains a certificate of registration as FPI, whichever is earlier.

The existing individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid-up capital of an Indian company, respectively. In terms of the FEMA Regulations, a QFI shall not be eligible to invest as a QFI upon obtaining registration as an FPI. However, all investments made by a QFI in accordance with the regulations, prior to registration as an FPI shall continue to be valid and taken into account for computation of the aggregate limit.

Investment by NRIs

Investments by NRIs are governed by the Portfolio Investment Scheme under Regulation 5(3)(i) of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended. Applications will not be accepted from NRIs in restricted jurisdictions.

NRI Applicants may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRI Applicants who intend to make payment through NRO accounts shall use the Application Form meant for resident Indians and shall not use the Application Forms meant for reserved category.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs, Non- Institutional Investors or are applying in this Issue for Equity Shares for an amount exceeding ₹ 2,00,000 shall mandatorily make use of ASBA facility.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all applicants who are QIBs, Non-Institutional Investors or are applying in this Issue for Equity Shares for an amount exceeding ₹200,000 shall mandatorily make use of ASBA facility, subject to their fulfilling the eligibility conditions to be an ASBA Investor. Further, all QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹200,000, subject to their fulfilling the eligibility conditions to be an ASBA Investor.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI (Venture Capital Funds) Regulations, 1996, as amended (“SEBI VCF Regulations”) and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended (“SEBI FVCI Regulations”) prescribe, amongst other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 (“SEBI AIF Regulations”) prescribe, amongst other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Mode of payment for Resident Eligible Equity Shareholders/ Investors

- All cheques/ drafts accompanying the CAF should be drawn in favour of **“Capital India Finance Limited – Rights Issue - R”** crossed ‘A/c Payee only’ and should be submitted along with the CAF to the Banker to the Issue or to the Registrar to the Issue;
- Investors residing at places other than places where the bank collection centres have been opened by us for collecting applications, are requested to send their CAFs together with Demand Draft for the full application amount, net of bank and postal charges favouring the Banker to the Issue, crossed ‘A/c Payee only’ and marked **“Capital India Finance Limited – Rights Issue - R”** payable at Delhi/New Delhi directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. We, the Lead Manager or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

Applications through mails should not be sent in any other manner except as mentioned above. The CAF along with the application money must not be sent to our Company or the Lead Manager. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Eligible Equity Shareholders/ Investors

As regards the application by non-resident Eligible Equity Shareholders/ Investors, the following conditions shall apply:

Individual non-resident Indian applicants who are permitted to subscribe for Equity Shares by applicable local securities laws can also obtain application forms from the following address:

Indus Portfolio Private Limited

SEBI Regn. No.: INR000003845

G-65, Bali Nagar,

New Delhi – 110 015

Tel.: +91 11 47671214, 47671217

Fax: +91 25449863

E-mail: cs.anamika@indusinvest.com

Investor Grievance e-mail id: crm@indusinvest.com

Website: www.indusinvest.com

Contact Person: Ms. Anamika

Note: The Letter of Offer/ Abridged Letter of Offer and CAFs to NRIs shall be sent only to their Indian address, if provided.

- Applications will not be accepted from non-resident from any jurisdiction where the offer or sale of the Rights Entitlements and Equity Shares may be restricted by applicable securities laws.
- All non-resident investors should draw the cheques/ demand drafts for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Banker to the Issue/ collection centres or to the Registrar to the Issue.
- Non-resident investors applying from places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with Demand Draft for the full application amount, net of bank and postal charges, and marked **“Capital India Finance Limited– Rights Issue - R”** payable at New Delhi directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.
- Payment by non-residents must be made by demand draft payable at Delhi/New Delhi/cheque payable drawn on a bank account maintained at Delhi/New Delhi or funds remitted from abroad in any of the following ways:

Application with repatriation benefits

- (i) By Indian Rupee drafts purchased from abroad and payable at Delhi/New Delhi or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate);
- (ii) By local cheque / bank drafts remitted through normal banking channels or out of funds held in Non-Resident External Account (NRE) or FCNR Account maintained with banks authorized to deal in foreign currency in India, along with documentary evidence in support of remittance;
- (iii) By Rupee draft purchased by debit to NRE/ FCNR Account maintained elsewhere in India and payable in Delhi/New Delhi;
- (iv) FIIs/FPIs registered with SEBI must remit funds from special non-resident rupee deposit account;
- (v) Non-resident investors applying with repatriation benefits should draw cheques/ drafts in favour of **“Capital India Finance Limited – Rights Issue – NR”** and must be crossed ‘account payee only’ for the full application amount;
- (vi) Investors may note that where payment is made by drafts purchased from NRE/ FCNR accounts, as the case may be, an Account Debit Certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected.

Application without repatriation benefits

- (i) As far as non-residents holding Equity Shares on non-repatriation basis are concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained in India or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Delhi/New Delhi. In such cases, the Allotment of Equity Shares will be on non-repatriation basis.
- (ii) All cheques/ drafts submitted by non-residents applying on a non-repatriation basis should be drawn in favour of **“Capital India Finance Limited – Rights Issue – R”** and must be crossed ‘account payee only’ for the full application amount. The CAFs duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.
- (iii) Investors may note that where payment is made by drafts purchased from NRE/ FCNR/ NRO accounts, as the case may be, an Account Debit Certificate from the bank issuing the draft confirming that the draft has been

issued by debiting the NRE/ FCNR/ NRO account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected.

- (iv) New demat account shall be opened for holders who have had a change in status from resident Indian to NRI. Any application from a demat account which does not reflect the accurate status of the Applicant are liable to be rejected.

Notes:

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the I.T. Act.
- In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
- The CAF duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.
- In case of an application received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/ rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of section 38 of the Companies Act which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447”.

Section 447 of the Companies Act provides for punishment for fraud which inter alia states punishment of imprisonment for a term which shall not be less than six months but which may extend to ten years and shall be liable to a fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Payment by Stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 5, 2003, the Stockinvest Scheme has been withdrawn. Hence, payment through Stockinvest would not be accepted in this Issue.

Disposal of application and application money

No acknowledgment will be issued for the application moneys received by us. However, the Banker to the Issue/ Registrar to the Issue/ Designated Branch of the SCSBs receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF. Our Board reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the application money received will be refunded. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on Rights Equity Shares allotted, will be refunded to the Investor within the timelines prescribed under applicable law. In case

of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law for further instructions, please read the CAF carefully.

Utilisation of Issue Proceeds

The Board of Directors declares that:

- (a) All monies received out of the Issue shall be transferred to a separate bank account referred to in the Companies Act, 2013;
- (b) Details of all monies utilized out of the Issue shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised till the time any of the Issue Proceeds remained unutilised;
- (c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilized monies have been invested; and

Our undertakings

We undertake the following:

1. The complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken within 7 working days of finalisation of Basis of Allotment.
3. The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us.
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. The allotment of Equity Shares and dispatch of refund orders / share certificate and demat credit is completed within 15 days from the Issue Closing Date
6. The certificates of the securities / demat credit / refund orders to the non-resident Indians shall be dispatched within the specified time.
7. The Company agrees that it shall pay interest @ 15% p.a. if the allotment is not made and / or the refund orders are not dispatched to the investors within 15 days from the Issue Closure Date for the period of delay beyond 15 days.
8. No further issue of securities affecting equity capital of our Company shall be made till the securities issued/offered through the Draft Letter of Offer Issue are listed or till the application money are refunded on account of non-listing, under-subscription etc.
9. Adequate arrangements shall be made to collect all ASBA applications and to consider them similar to non-ASBA applications while finalising the Basis of Allotment.
10. At any given time there shall be only one denomination of Equity Shares.
11. We accept full responsibility for the accuracy of information given in the Draft Letter of Offer and confirm that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in the Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.
12. All information shall be made available by the Lead Manager and the Issuer to the Investors at large and no selective or additional information would be available for a section of the Investors in any manner whatsoever including at road shows, presentations, in research or sales reports etc.
13. We shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Minimum Subscription

If we do not receive the minimum subscription of 90% in this Issue or if our Board fails to dispose off the unsubscribed Equity Shares in the manner as permitted under Section 62(1)(a)(iii), subject to receipt of requisite regulatory approvals, if any, after the Issue Closing Date or the subscription level falls below 90% after the Issue Closing Date on the account of cheques being returned unpaid or withdrawal of applications, we shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If the subscription amount is not refunded within 15 days from the Issue Closing date, we shall be liable to pay interest for the period of delay, after such aforesaid 15 days, in accordance with the provisions of the Companies Act, 2013 and SEBI ICDR Regulations.

Important

- Please read the Draft Letter of Offer carefully before taking any action. The instructions contained in the accompanying CAF are an integral part of the conditions of the Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
- It is to be specifically noted that the Issue of Equity Shares is subject to the risk factors mentioned in the section titled “Risk Factors” on page 7 of the Draft Letter of Offer.
- All enquiries in connection with the Draft Letter of Offer or accompanying CAF and requests for Split Application Forms must be addressed (quoting the Registered Folio Number/ DP and Client ID number, the CAF number and the name of the first Eligible Equity Shareholder as mentioned on the CAF and super-scribed “**Capital India Finance Limited - Rights Issue**” on the envelope) to the Registrar to the Issue at the following address:

Indus Portfolio Private Limited

SEBI Regn. No.: INR000003845

G-65, Bali Nagar,

New Delhi – 110 015

Tel.: +91 11 47671214, 47671217

Fax: +91 25449863

E-mail: cs.anamika@indusinvest.com

Investor Grievance e-mail id: crm@indusinvest.com

Website: www.indusinvest.com

Contact Person: Ms. Anamika

The Issue will be kept open for a minimum of 15 days unless extended, in which case it will be kept open for a maximum of 30 days.

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION
The main provisions of the Articles of Association of our Company are given under:

PRELIMINARY

1. The regulations contained in Table F of the First Schedule to the Companies Act, 2013 shall apply to the Company, except to which provision is made in these articles.
2. The provisions of the Companies Act 2013, and / or any statutory modifications thereof at any time shall apply to the company. Where in the construction or interpretation of any of the following regulations it is found that the same are inconsistent or repugnant to the provisions of the aforesaid Act, the provisions of the Companies Act, 2013, with statutory modifications thereof shall apply.

Words and expressions contained in these regulations shall bear the same meaning as in the Companies Act, or any statutory modification thereof

INTERPRETATION

3. In the interpretation of these Articles, unless repugnant to the subject or context :-

"The Company" or "this Company" means **CAPITAL INDIA FINANCE LIMITED**.

"The Act" means the Companies Act, 1956 and the Companies Act, 2013, or any statutory modification or re-enactment thereof, for the time being, in force.

"Alter and Alteration" shall include the making of additions and omissions.

"Annual General Meeting" means a general meeting of the members held as such, in accordance with the provisions of the Act.

"Auditors" means those Auditors appointed under the said Act.

"Beneficial Owner" means a person as defined by section 2(l)(a) of the Depositories Act, 1996.

"Board" shall mean the collective body of the directors of the Company.

"Capital" means the Share capital, for the time being, raised or authorised to be raised, for purposes of the Company.

"Debenture" includes debenture stock, bonds or any other instrument of the Company evidencing the debts whether constituting the charge on the assets of the Company or not.

"Depositories Act 1996" means The Depositories Act, 1996 and includes any statutory modification or re-enactment thereof the time being in force.

"Depository" means and includes a Company as defined in section 2(l)(e) of "The Depositories Act, 1996.

"Directors" means a director appointed to the Board of Company.

"Dividend" includes interim dividend.

"Extra-ordinary General Meeting" means an extraordinary general meeting of the members, duly called

and constituted, and any adjourned holding thereof.

“In Writing” or “Written” shall include e- mail, and any other form of electronic transmission.

“Independent Director” shall have the meaning ascribed to it in the Act.

“Key Managerial Personnel” means the Chief executive officer or the managing director, the company secretary ; wholtime director ; chief financial officer ; and such other officer as may be notified from time to time in the Rules.

"Member" means member as defined under section 2(55) of the Companies Act, 2013

"Meeting" or "General meeting" means a meeting of members.

"Month" means a period of 30 (Thirty) days and a "Calendar Month" means an English calendar month.

"Office" means the registered office, for the time being, of the Company.

"Paid-up" means paid up capital as defined under section 2(64) of the Companies Act, 2013.

"Participant" means individual/institutions as defined under Section 2(1)(g) of the Depositories Act, 1996.

"Persons" include corporations and firms as well as individuals.

"Register of Members" means the Register of Members to be kept pursuant to the Act, and includes index of beneficial owners mentioned by a Depository.

"The Registrar" means, Registrar as defined under section 2(75) of the Companies Act, 2013.

“Rules” means any rule made pursuant to section 469 of the Act or such other provisions pursuant to which the central Government is empowered to make rules, and shall include such rules as may be amended from time to time.

"Secretary" means a Company Secretary, within the meaning of clause (c) of sub section (I) of section 2 of Company Secretaries Act, 1980, who is appointed by the Company to perform the functions of the Company Secretary under this Act.

"Seal" means the common seal, for the time being, of the Company.

"Share" means a Share in the capital of the Company, and includes stock, except where a distinction between Stock and Shares is express or implied.

Words importing the singular number include, where the context admits or requires, the plural number and vice versa.

"Ordinary resolution" and "special resolution" shall have the same meaning assigned thereto by the Act.

"Year" means a calendar year and "financial year" shall have the same meaning as assigned thereto by or under the Companies Act, 2013.

Words importing the masculine gender also include the feminine gender.

The margin notes, if used or incorporated, or, after being used, removed, at any time thereafter, in these Articles shall not affect the construction hereof:

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning so far as these Articles are concerned.

The Section number, with relation to the Act, referred to anywhere in these presents, may be deemed to have been replaced by such other number or numbers, as may, after the amendments or modifications effected in the Act or repeal of the Act and introduction of the new Act as such in its place, contain the relevant provisions, in the context or circumstances of that respective Article, as may be proper and justifiable and shall be interpreted in its true intention.

CAPITAL AND INCREASE AND REDUCTION THEREOF

4. The Authorised Share Capital of the Company is such amount, as stated, for the time being, or may be varied, from time to time, under the provisions of the Act, in the Clause V of the Memorandum of Association of the Company, divided into such number, classes and descriptions of Shares and into such denominations, as stated therein, and further with such powers to increase the same or otherwise as stated therein. The paid-up Share Capital of the Company shall be, at any time, an amount of not less than Rs.500,000/- (Rupees Five Lakhs) or such other amount, as may, from time to time, be prescribed under the Act.
5. The Company, in general meeting, may, from time to time, increase the capital by the creation of new shares. Such increase in the capital shall be of such aggregate amount and to be divided into such number of Shares of such respective amounts, as the resolution, so passed in that respect, shall prescribe. Subject to the provisions of the Act, any Shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting, resolving upon the creation thereof, shall direct, and, if no direction be given, as the Directors shall determine, and, in particular, such Shares may be issued with a preferential, restricted or qualified right to dividends, and in the distribution of assets of the Company, on winding up, and with or without a right of voting at general meetings of the Company, in conformity with and only in the manner prescribed by the provisions of the Act. Whenever capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the applicable provisions of the Act.
6.
 - (a) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing shares and other securities; rematerialize its shares and other securities held with Depositories and/or offer its fresh shares and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the rules framed there under and on the same being done, the Company shall further be entitled to maintain a register of Members with the details of members holding shares both in material and dematerialized form in any media as permitted by law including any form of electronic media, either in respect of existing shares or any future issue and transfer or transmission of any shares or other securities held in material or dematerialized form.
 - (b) The shares and other Securities of the Company which are held in dematerialised form shall not be progressively numbered and the provisions relating to the progressive numbering shall not apply to the shares or other Securities of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form and no share certificates shall be issued in respect of the shares issued/held in rematerialised form with any Depository and the provisions of regulations II.2 and II.3 of Table F of Schedule I of the Act shall not apply in this regard.
 - (c) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears as the Beneficial Owner of the shares/ Securities in the records of the Depository as the absolute owner thereof as regards the receipt of dividends or bonus or service of notice and all or any other matters connected with

the Company and accordingly the Company shall not (except as ordered by a court of competent jurisdiction or as by law required) be bound to recognise any benami trust or equity or equitable, contingent or other claims to or interest in such shares/Securities on the part of any other person whether or not it shall have express or implied notice thereof.

- (d) In the case of transfer or transmission of Securities held by Beneficial Owners with the Depository the provisions relating to the normal transfer or transmission of Securities in respect of the Securities held in the physical mode shall not apply to the transfer of Securities effected by the transferor and the transferee both of whom is entered as Beneficial Owners in the records of the Depository. In case of transfer or transmission of shares or other Securities where the Company has not issued any certificates in respect thereof and where such shares or Securities are being held in an electronic and fungible form with a Depository, the provision of the Depository Act, 1996 shall apply.

- 6 (1)** Where at any time it is proposed to increase the subscribed capital of the company by allotment of further shares either out of the un-issued capital or out of the increased share capital then such further shares shall be offered:

- (a) To the persons who at the date of the offer, are holders of the equity shares of the company, in proportion, as near as circumstances admit, to the capital paid up on those shares at the date.
- i. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than fifteen days and not exceeding thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined.
- ii. The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favor of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right. PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favor any member may, renounce the shares offered to him.
- iii. After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that the declines to accept the shares offered, the Board of Directors may dispose off them in such manner and to such person(s) as they may think, in their sole discretion fit.
- (b) To employees under a scheme of employees' stock option, subject to special resolution passed by Company and subject to such conditions as may be prescribed under the Act;

- 6(2)** Notwithstanding anything, contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) either for cash or consideration other than cash if a special resolution to that effect is passed by the Company in General Meeting, and subject to such other conditions as may be prescribed under the Act.

- 6 (3)** Nothing in sub-clause (c) of (1) hereof shall be deemed

- (a) to extend the time within which the offer should be accepted; or
- (b) to authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

- 6 (4)** Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debenture issued or loans raised by the company:

- (i) To convert such debentures or loans into shares in the company; or
- (ii) To subscribe for shares in the company (whether such option is conferred in these Articles or otherwise)

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- (a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in General Meeting before the issue of the debentures or raising of the loans.

- 7. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital and shall be subject to the provisions contained herein with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting or otherwise.
- 8. Subject to the provisions of Section 55 of the Act and the rules made thereunder, the Company shall have the power to issue preference shares, which are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.
- 9. On the issue of Redeemable Preference Shares under the provisions of the preceding Article, the following provisions shall take effect :-
 - (a) No such Shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of the redemption.
 - (b) No such shares shall be redeemed unless they are fully paid;
 - (c) The premium, if any, payable on redemption, must have been provided for, out of the profits of the Company or the Share Premium Account of the Company before, the Shares are redeemed; and
 - (d) Where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund to be called "Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed and the provisions of the Act, relating to the reduction of the Share Capital of the Company, shall, except as provided in Section 80 of the Act, apply as if "Capital Redemption Reserve Account" were paid up Share capital of the Company.
- 10. Subject to Section 100 of the Companies Act, 1956 and Section 66 of the Companies Act, 2013 as and when notified the Company may by special resolution, reduce its capital and any Capital Redemption Reserve Account or Other Premium Account, for the time being, in any manner, authorised by law, and, in particular, without prejudice to the generality of the foregoing powers, the capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power, the Company would have, if it were omitted.
- 11. Subject to the applicable provisions of the Act, the Company, in general meeting, may, from time to time, sub-divide, reclassify or consolidate its Shares or any of them, and the resolution whereby any Share is sub-divided, may determine that, as between the holders of the Shares resulting from such sub-division, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. Subject as aforesaid, the Company, in general meeting, may also cancel shares, which have not been taken or agreed to be taken by any person, and diminish the amount of its Share capital by the amount of the Shares so cancelled.

12. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the applicable provisions of the Act, be modified, commuted, affected or abrogated, or dealt with by an agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified, in writing, by holders of at least three-fourths in nominal value of the issued Shares of the class or is confirmed by a special resolution passed at a separate general meeting of the holders of Shares of that class and all the provisions hereinafter contained as to general meetings, shall, mutatis mutandis, apply to every such meeting.

SHARES AND CERTIFICATES

13. The Company shall keep or cause to be kept a Register and Index of Members, in accordance with the applicable Sections of the Act. The Company shall be entitled to keep, in any State or Country outside India, a Branch Register of Members, in respect of those residents in that State or Country.
14. The Shares, in the capital, shall be numbered progressively according to their several classes and denominations, and, except in the manner hereinabove mentioned, no Share shall be sub-divided. Every forfeited or surrendered Share may continue to bear the number by which the same was originally distinguished with, or as may be otherwise, as may be decided by the Board of Directors or required by any other authority, as may be, for the time being, in force.

15.

1. Where at the time, it is proposed to increase the subscribed capital of the Company by allotment of further Shares either out of the unissued or out of the increased Share capital then:

- (a) Such further Shares shall be offered to the persons who at the date of the offer, are holders of the Equity Shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on those Shares at that date.
- (b) Such offer shall be made by a notice specifying the number of Shares offered and limiting a time not less than fifteen days and not exceeding thirty days from the date of the offer within which the offer if not accepted, will be deemed to have been declined.
- (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person and the notice referred to in sub-clause (b) hereof shall contain a statement of this right provided that the Directors may decline, without assigning any reason to allot any Shares to any person in whose favour any member may, renounce the Shares offered to him.
- (d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company.

2. Notwithstanding anything contained in sub-clause (I) thereof, the further Shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (I) hereof) in any manner either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a Registered Valuer subject to such conditions prescribed in the rules made thereunder.

3. Nothing in sub-clause (c) of (I) hereof shall be deemed:

- (a) To extend the time within the offer should be accepted; or

- (b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the remuneration was first made has declined to take the Shares comprised in the renunciation.
4. Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the Debenture issued or loans raised by the Company to convert such Debenture or loans into Shares in the Company
16. Subject to the provisions of Section 62 of the Companies Act, 2013 and the rules made thereunder and these Articles of the Company for the time being shares shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that opinion or right to call of Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting. The Board shall cause to be filed the returns as to allotment as may be prescribed from time to time.
17. In addition to and without derogating from the powers for that purpose conferred on the Board under the preceding two Articles, the Company, in general meeting, may determine that any Shares, whether forming part of the original capital or of any increased capital of the Company, shall be offered to such persons, whether or not the members of the Company, in such proportion and on such terms and conditions and, subject to compliance with the provisions of applicable provisions of the Act, either at a premium or at par, as such general meeting shall determine and with full power to give any person, whether a member or not, the option to call for or be allotted Shares of any class of the Company either, subject to compliance with the applicable provision of the Act, at a premium or at par, such option being exercisable at such times and for such consideration as may be directed by such general meeting, or the Company in general meeting may make any other provision whatsoever for the issue, allotment or disposal of any Shares.
18. Any application signed by or on behalf of an applicant for subscription for Shares in the Company, followed by an allotment of any Shares therein, shall be an acceptance of Shares within the meaning of these Articles, and every person, who, thus or otherwise, accepts any Shares and whose name is entered on the Registered shall, for the purpose of these Articles, be a member.
19. The money, if any, which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly, in the manner prescribed by the Board.
20. Every member or his heirs, executors or administrators, shall pay to the Company the portion of the capital represented by his Share or Shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time, in accordance with the Regulations of the Company, require or fix for the payment thereof.
- 21.
- (a) Every Member shall be entitled, without payment, to one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within two (2) months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one (1) month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any

of its Shares as the case may be. Every certificate of Shares shall be under the seal of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a Share or Shares held jointly by several persons the Company shall not be bound to issue more than one certificate and delivery of a certificate of Shares to one of several joint holders shall be sufficient delivery to all Share holders. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a power of attorney and the Secretary or some other person appointed by the Board for the purpose, and such two Directors or their attorneys, and the Secretary or other person shall sign the Share Certificates, provided that, if the composition of the Board permits, provided that, of it, at least one of the aforesaid two Directors shall be a person other than Managing Director or a Wholtime Director. Particulars of every Share certificates issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of the issue.

- (b) Any two or more joint allottees, in respect of a Share, shall, for the purpose of this Article, be treated as a single member, and the certificate of any Share, which may be subject of joint ownership, may be delivered to the person named first in the order or otherwise even to any one of such joint owners, on behalf of all of them. For any further certificate, the Board shall be entitled but shall not be bound to prescribe a charge not exceeding Rupee 50(fifty) per such certificate. In this respect, the Company shall comply with the applicable provisions, for the time being, in force, of the Act.
- (c) A director may sign a Share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Directors shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

22.

- (a) The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to receive from any member willing to advance the same, all or any part of the amount of his Shares beyond the sums actually called up and upon the monies so paid in advance or upon so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advances has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

The member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The Provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

- (b) When a new Share certificate has been issued in pursuance of the preceding clause of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "Issued in lieu of Share Certificate No.....sub-divided / replaced /on consolidation of Shares".
- (c) If any certificate be worn out, defaced, mutilated, or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, and a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificates under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities

Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

- d) When a new share certificate has been issued in pursuance of the preceding clause of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "DUPLICATE. Issued in lieu of Share Certificate No..... The word "DUPLICATE" shall be stamped or punched in bold letters across the face of the Share certificate.
 - (e) Where a new Share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such Share certificate shall be entered in a Register of Renewed and Duplicate Share Certificates, indicating against the names of the person or persons to whom the certificate is issued, the number and date of issue of the Share certificate, in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the "Remarks" column.
 - (f) All blank forms to be issued for issue of Share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively numbered, whether by machine, hand or otherwise, and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary, where there is no Secretary, the Managing Director or Whole time Director, and where there is no such director, the Chairman of the Board, for the time being, or otherwise of such other person, as the Board may appoint for the purpose, and the Secretary, such director, Chairman or such other person shall be responsible for rendering an account of these forms to the Board.
 - (g) The Managing Director of the Company, for the time being, or, if the Company has no Managing Director, every director of the Company shall be severally responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of Share certificates except the blank forms of Share certificates referred to in Clause (f) of this Article.
 - (h) All books referred to in clause (g) of this Article shall be preserved in good order permanently, or for such period as may be prescribed by the Act or the Rules made thereunder.
23. If any Share stands in the names of two or more persons, the person first named, in the Register, shall, as regards receipt of dividends or bonus or service of notices and all or any matter connected with the Company, except voting at meetings and the transfer of the Shares, be deemed the sole holder thereof but the joint holders of a Share shall be severally as well as jointly liable for the payment of all installments of calls due in respect of such Share and for all incidents otherwise.
24. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any Share, or, except only as is, by these presents, otherwise expressly provided, any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person, from time to time, registered as the holder thereof, but the Board shall be, at liberty, at their sole discretion, to register any Share in the joint names of any two or more persons or the survivor or survivors of them.
25. Subject to the provisions of Sections 68 to 70 of the Act 2013 and the rules thereunder, the Company may purchase its own Shares or other specified securities out of free reserves, the securities premium account or the proceeds of issue of any Share or specified securities.
26. Subject to the provisions contained in sections 68 to 70 and all applicable provisions of the Act and subject to such approvals, permissions, consents and sanctions from the concerned authorities and departments, including the Securities and Exchange Board of India and the Reserve Bank of India, if any, the Company may, by passing a special resolution at a general meeting, purchase its own Shares or other specified securities (hereinafter referred to as 'buy-back') from its existing Shareholders on a proportionate basis and/or from the open market and/or from the lots smaller than market lots of the securities (odd lots), and/or the securities issued to the employees of the Company pursuant to a scheme of stock options or sweat Equity, from out of its free reserves or out of the securities premium account of the Company or out of the proceeds

of any issue made by the Company specifically for the purpose, on such terms, conditions and in such manner as may be prescribed by law from time to time; provided that the aggregate of the securities so bought back shall not exceed such number as may be prescribed under the Act or Rules made from time to time.

COMMISSION AND BROKERAGE

27. Subject to the provisions of Section 40 of the Act 2013 and the rules thereof, the Company may, at any time, pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any Shares in or Debentures of the Company or procuring or agreeing to procure the subscribers, whether absolutely or conditional, for any Shares in or Debentures of the Company, but so that the commission shall not exceed, in the case of Shares, five per cent of the price at which the Shares are issued and, in the case of Debentures two and half per cent of the price at which the Debentures are issued, and such commission may be satisfied in any such manner, including the allotment of the Shares or Debentures, as the case may be, as the Board thinks fit and proper.
28. Subject to the provisions of the Act, the Company may pay a reasonable sum for brokerage.

CALLS

29. The Board may, from time to time, subject to the terms on which any Shares may have been issued and subject to the conditions of allotment, by a resolution passed only at a duly constituted meeting of the Board, make such call, as it thinks fit, upon the members in respect of all moneys unpaid on the Shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by installments.
30. At least fifteen days' notice, in writing, of any call, shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call be paid.
31. A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.
32. The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members whom owing to their residence at a distance or other cause, the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension, save as a matter of grace and favour.
33. A call may be revoked or postponed at the discretion of Board.
34. The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
35. If any members fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall, from time to time, be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

36. Any sum, which, by the terms of issue of a Share, becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable, and, in the case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply, as if such sum had become payable by virtue of a call duly made and notified.
37. On the trial or hearing of any action or suit brought by the Company against any member or his representative for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the member, in respect of whose Shares the money is sought to be recovered, appears or is entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered, is alleged to have become due on the Shares in respect of which money is sought to be recovered, and that the resolution making the call is duly recorded in the minute book, and that notice, of which call, was duly given to the member or his representatives and used in pursuance of these Articles, and it shall not be necessary to prove the appointment of the Directors who made such call, and not that a quorum of Directors was present at the meeting of the Board at which any call was made, and nor that the meeting, at which any call was made, has duly been convened or constituted nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.
38. Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.
- 39.
- (a) The Board may, if it thinks fit, agree to and receive from any member willing to advance the same all or any part of the amounts of his respective Shares beyond the sums actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and, at any time thereafter, as exceeds the amount of the calls then made upon and due in respect of the Shares on account of which such advances are made, the Board may pay or allow interest at such rate, as the member paying the sum in advance and the Board agrees upon, subject to the provisions of the Act. The Board may agree to repay, at any time, any amount so advanced or may, at any time, repay the same upon giving to the member 3 (Three) months' notice, in writing, provided that moneys paid, in advance of calls, on any Shares may carry interest but shall not confer a right to dividend or to participate in profits.
- (b) No member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him, until the same would, but for such payment, become presently payable.

LIEN

40. The Company shall have a first and paramount lien upon all the Shares/Debentures (other than fully paid-up Shares/Debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/Debentures and no equitable interest in any Shares shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in all respect of such Shares/Debentures, Unless otherwise agreed, the registration of a transfer of Shares/Debentures shall operate as a waiver of the Company's lien, if any, on such Shares/Debentures. The Directors may at any time declare any Shares/Debentures wholly or in part to be exempt from the provisions of this clause.
41. For the purpose of enforcing such lien, the Board may sell the Shares, subject thereto, in such manner, as it shall think fit, and, for that purpose, may cause to be issued a duplicate certificate in respect of such Shares, and may authorise one of their members to execute a transfer thereof, on behalf of and in the name of such manner. No sale shall be made until such period, as aforesaid, shall have arrived and until notice, in writing, of the intention to sell, shall have been served on such member or his representatives and the default, whether

express or implied, shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements, for such further days allowed, after the service of such notice, and stated therein.

42. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount, in respect of which the lien exists, as is presently payable, and the residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the persons entitled to the Shares at the date of the sale.

FORFEITURE OF SHARES

43. If any member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
44. The notice shall name a day, not being less than 14 (Fourteen) days from the date of the notice, and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state, that, in the event of the non-payment at or before the time and at the place appointed, the Shares, in respect of which the call was made or instalment is payable, will be liable to be forfeited.
45. If the requirements of any such notice, as aforesaid, shall not be complied with, every or any Share, in respect of which such notice has been given, may, at any time thereafter, before payment of all calls or instalments, interest and expenses, as may be due in respect thereof, be forfeited by a resolution of the Board to that effect. Subject to the provisions of the Act, such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.
46. When any Share shall have been so forfeited, notice of the forfeiture shall be given to the member, in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall, forthwith, be made in the Register of Members. But no forfeiture shall be, in any manner, invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
47. Any Share, so forfeited, shall be deemed to be the property of the Company, and may be sold, reallocated or otherwise disposed off, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.
48. Any member, whose Shares have been forfeited, shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand, all calls, instalments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereof, until payment, at such rate, as the Board may determine, and the Board may enforce the payment thereof, if it thinks fit.
49. The forfeiture of a Share shall involve extinction, at the time of the forfeiture, of all interests in and all claims and demands against the Company, in respect of such Share and all other rights, incidental to the Share, except only such of those rights as by these presents are expressly saved.
50. A declaration, in writing, that the declarant is a director or Secretary of the Company and that a Share in the Company has duly been forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Shares.
51. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold, and cause the purchaser's name to be entered in the Register, in respect of the Shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and, after his name has been entered in the Register, in respect of such Shares, the validity of the sale shall not be

impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and exclusively against the Company and no one else.

52. Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued, in respect of the relative Shares, shall, unless the same shall, on demand by the Company, have been previously surrendered to it by the defaulting member, stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates, in respect of the said Shares, to the person or persons entitled thereto.

TRANSFER AND TRANSMISSION OF SHARES

53. The Company shall keep the "Register of Transfers" and therein shall fairly and distinctly enter particulars of every transfer or transmission of any Share.
54. No transfer shall be registered, unless a proper instrument of transfer has been delivered to the Company. Every instrument of transfer shall be duly stamped, under the relevant provisions of the Law, for the time being, in force, and shall be signed by or on behalf of the transferor and the transferee, and in the case of a Share held by two or more holders or to be transferred to the joint names of two or more transferees by all such joint holders or by all such joint transferees, as the case may be, and the transferor or the transferors, as the case may be, shall be deemed to remain the holder or holders of such Share, until the name or names of the transferee or the transferees, as the case may be, is or are entered in the Register of Members in respect thereof. Several executors or administrators of a deceased member, proposing to transfer the Share registered in the name of such deceased member, or the nominee or nominees earlier appointed by the said deceased holder of Shares, in pursuance of the Article 75, shall also sign the instrument of transfer in respect of the Share, as if they were the joint holders of the Share.
55. Shares in the Company may be transferred by an instrument, in writing, in the form, as shall, from time to time, be approved by the Directors provided that, if so required by the provisions of the Act, such instrument of Transfer shall be in the form prescribed thereunder, and shall be duly stamped and delivered to the Company within the prescribed period. All the provisions of Section 56 of the Act 2013 shall be duly complied with in respect of all transfers of Shares and registration thereof:
- a) No fees shall be charged for registration of transfer, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.
 - b) Subject to the Stock Exchange Regulations as may be altered from time to time, transfer of shares shall take place in marketable lots
56. The Board shall have power, on giving 7 (Seven) days' previous notice, by advertisement in some newspaper circulating in the district in which the Registered Office of the Company is, for the time being, situated, to close the transfer books, the Register of Members of Register of Debenture holders, at such time or times and for such periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may seem expedient.

Subject to the provisions of Section 58 and 59 of the Companies Act 2013, these Articles, Section 22A of the Securities Contract (Regulation) Act, 1956 and any other applicable provisions of the Act or any other law for the time being in force, the Board may, refuse, whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a member in, or Debentures of the Company, the Board shall within one month from the date on which the instrument of transfer, or the intimation of such transmission as the case may be, was delivered to the Company, send to the transferee and transferor or to the person giving intimation of such transmission, as the case may be, notice of the refusal to register such transfer, giving reasons for such refusal provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other

57. person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the Shares. Transfer of Shares/Debentures in whatever lot shall not be refused.
58. An application for the registration of a transfer of Shares in the Company may be made either by the transferor or the transferee, where such application is made by a transferor and relates to partly paid Shares, the Company shall give notice of the application to the transferee. The transferee may, within two weeks from the date of the receipt of the notice and not later, object to the proposed transfer. The notice to the transferee shall be deemed to have been duly given, if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered at the time when it would have been delivered in the ordinary course of post.
59. In the case of the death of anyone or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him jointly with any other person.
60. Subject to the provisions of Article 74 hereunder, the executors or administrators or holders of a such Succession Certificate or the legal representative of a deceased member, not being one of two or more joint holders, shall be the only persons recognised by the Company as having any title to the Shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representatives, unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India, provided that, in cases, the Board may dispense with production of probate or letters of Administration or Succession Certificate upon such terms as to indemnify or otherwise, as the Board, in its absolute discretion, may think necessary, in the circumstances thereof, and, in pursuance of the Article 63 hereunder, register the name of any person, who claims to be absolutely entitled to the Shares standing in the name of a deceased member, as a member.
61. No Share shall, in any circumstances, be transferred to any infant, insolvent or person of unsound mind, and that no Share, partly paid up, be issued, allotted or transferred to any minor, whether alone or along with other transferees or allottees, as the case may be.
62. So long as the director having unlimited liability has not discharged all liabilities, whether present or future, in respect of the period for which he is and continues to be, so long, liable, he shall not be entitled to transfer the Shares held by him or cease to be a member of the Stock Exchange(s) to the end and intent that he shall continue to hold such minimum number of Shares as were held by him prior to his becoming a director with unlimited liability.
63. Subject to the provisions of Articles 59, 60 and 74 hereof, any person becoming entitled to Shares in consequences of the death, lunacy, bankruptcy or insolvency of any member, or the marriage of any female member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Board, which it shall not be under any obligation to give, upon producing such evidence that he sustains the character in respect of which he proposes to act under the Article or of his title, as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person, nominated by him and approved by the Board, registered as such person, provided, nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein to in these Articles as "The Transmission Article".
64. Subject to the provisions of the Act, a person entitled to a Share by transmission shall, subject to the right of the Directors to retain such dividend or money as hereinafter provided, be entitled to receive and may be given a discharge for, any dividends or other moneys payable in respect of the Share.

65. No fees shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar document.
66. The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof, as shown or appearing in the Register of Members, to the prejudice of persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting of such transfer, and may have entered such notice, referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

67. The Company, by resolution in general meeting, may convert any paid up Shares into stock, or may, at any time, reconvert any stock into paid up Shares of any denomination. When any Shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interests therein, or any part of such interest, in the same manner and, subject to the same regulations as to which Shares in the Company may be transferred or as near thereto as circumstances will admit. But the Directors may, from time to time, if they think fit, fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum, but with full power nevertheless, at their discretion, to waive such rules in any particular case. The notice of such conversion of Shares into stock or reconversion of stock into Shares shall be filed with the Registrar of Companies as provided in the Act.
68. The Stock shall confer on the holders thereof respectively the same privileges and advantages, as regards participation in profits and voting at meetings of the Company and, for other purposes, as would have been conferred by Shares of equal amount in the capital of the Company of the same class as the Shares from which such stock was converted but no such privilege or advantage, except the participation in profits of the Company, or in the assets of the Company on a winding up, shall be conferred by any such aliquot part or, consolidated stock as would not, if existing in Shares, have conferred such privileges or advantages. No such conversion shall affect or prejudice any preference or other special privilege attached to the Shares so converted. Save as aforesaid, all the provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to Shares and the words "Share" and "Shareholder" in these presents shall include "stock" and "stockholder".
69. The Board may at its discretion, issue warrants with an option to convert into equity shares of the Company, to such persons as may be decided by the Board, including the Promoter/s and Director/s of the Company, subject to such consents and approvals as may be required from the shareholders of the Company and/or any statutory and/or regulatory authorities. Such issue of warrants shall be in compliance with Act and applicable laws.
70. A Share warrant shall entitle the bearer to the Shares or stock included in it, and, notwithstanding anything contained in these articles, the Shares or stock shall be transferred by the delivery of the Share-warrant, and the provisions of the regulations of the Company with respect to transfer and transmission of Shares shall not apply thereto.
71. The bearer of a Share-warrant shall, on surrender of the warrant to the Company for cancellation, and on payment of such fees, as the Directors may, from time to time, prescribe, be entitled, subject to the discretion of the Directors, to have his name entered as a member in the Register of Members in respect of the Shares or stock included in the warrant.

72. The bearer of a Share-warrant shall not be considered to be a member of the Company and accordingly save as herein otherwise expressly provided, no person shall, as the bearer of Share warrant, sign a requisition for calling a meeting of the Company, or attend or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company of meetings or otherwise, or qualified in respect of the Shares or stock specified in the warrant for being a director of the Company, or have or exercise any other rights of a member of the Company.
73. The Directors may, from time to time, make rules as to the terms on which, if they shall think fit, a new Share warrant or coupon may be issued by way of renewal in case of defacement, loss, or destruction.

NOMINATION BY SECURITY HOLDER

- 74.
- (1) Every holder of Securities in the Company may, at any time, nominate, in the prescribed manner, a person to whom his Securities in the Company, shall vest in the event of his death.
 - (2) Where the Securities in the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the Securities in the Company shall vest in the *event* of death of all joint holders.
 - (3) Notwithstanding anything contained in these Articles or any other law, for the time being, in force, or in any disposition, whether testamentary or otherwise, in respect of such Securities in the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Securities in the Company, the nominee shall, on the death of the Shareholders of the Company or, as the case may be, on the death of the joint holders, become entitled to all the rights in the Securities of the Company or, as the case may be, all the joint holders, in relation to such securities in the Company, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.
 - (4) In the case of fully paid up Securities in the Company, where the nominee is a minor, it shall be lawful for the holder of the Securities, to make the nomination to appoint in the prescribed manner any person, being a guardian, to become entitled to Securities in the Company, in the event of his death, during the minority.
- 75.
- (1) Any person who becomes a nominee by virtue of the provisions of the preceding Article, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either –
 - (a) to be registered himself as holder of the Share(s); or
 - (b) to make such transfer of the Share(s) as the deceased Shareholder could have made.
 - (2) If the person being a nominee, so becoming entitled, elects to be registered as holder of the Share(s), himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder.
 - (3) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfers of Securities shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer has been signed by that Shareholder.
 - (4) A person, being a nominee, becoming entitled to a Share by reason of the death of the holder, shall be entitled to the same dividends and other advantages which he would be entitled if he were the registered holder of the Share except that he shall not, before being registered a member in respect of his Share be

entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share(s) and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share(s) or until the requirements of the notice have been complied with.

MEETING OF MEMBERS

76. The Company shall, in each year, hold a general meeting as its Annual General Meeting. Any meeting, other than Annual General Meeting, shall be called Extra-ordinary General Meeting.

Not more than 15 (Fifteen) months or such other period, as may be prescribed, from time to time, under the Act, shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of the Act to extend time within which any Annual General Meeting may be held.

Every Annual General Meeting shall be called for a time during business hours i.e., between 9 a.m., and 6 p.m., on a day that is not a National Holiday, and shall be held at the Office of the Company or at some other place within the city, in which the Office of the Company is situated, as the Board may think fit and determine and the notices calling the Meeting shall specify it as the Annual General Meeting.

Every member of the Company shall be entitled to attend, either in person or by proxy, and by way of a postal ballot whenever and in the manner as may permitted or prescribed under the provisions of the Act, and the Auditors to the Company, who shall have a right to attend and to be heard, at any general meeting which he attends, on any part of the business, which concerns him as the Auditors to the Company, further, the Directors, for the time being, of the Company shall have a right to attend and to be heard, at any general meeting, on any part of the business, which concerns them as the Directors of the Company or generally the management of the Company.

At every Annual General Meeting of the Company, there shall be laid, on the table, the Directors' Report and Audited Statements of Account, Auditors' Report, the proxy Register with forms of proxies, as received by the Company, and the Register of Directors' Share holdings, which Register shall remain open and accessible during the continuance of the meeting, and therefore in terms of the provisions of Section 96 of the Act, the Annual General Meeting shall be held within six months after the expiry of such financial year. The Board of Directors shall prepare the Annual List of Members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with the applicable provisions of the Act.

77. The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting and it shall do so upon a requisition, in writing, by any member or members holding, in aggregate not less than one-tenth or such other proportion or value, as may be prescribed, from time to time, under the Act, of such of the paid-up capital as at that date carries the right of voting in regard to the matter, in respect of which the requisition has been made
78. Any valid requisition so made by the members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the office, provided that such requisition may consist of several documents, in like form, each of which has been signed by one or more requisitionists.
79. Upon receipt of any such requisition, the Board shall forthwith call an Extra-ordinary General Meeting and if they do not proceed within 21 (Twenty-one) days or such other lessor period, as may be prescribed, from time to time, under the Act, from the date of the requisition, being deposited at the office, to cause a meeting to be called on a day not later than 45 (Forty-five) days or such other lessor period, as may be prescribed, from time

to time, under the Act, from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid up Share capital held by all of them or not less than one-tenth of such of the paid up Share Capital of the Company as is referred to in Section 100(4) of the Act, whichever is less, may themselves call the meeting, but, in either case, any meeting so called shall be held within 3 (Three) months or such other period, as may be prescribed, from time to time, under the Act, from the date of the delivery of the requisition as aforesaid.

80. Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible as that in which such meetings are to be called by the Board.
81. At least 21 (Twenty-one) days' notice, of every general meeting, Annual or Extra-ordinary, and by whomsoever called, specifying the day, date, place and hour of meeting, and the general nature of the business to be transacted there at, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company, provided that in the case of an General Meeting, with the consent of members holding not less than 95 per cent of such part of the paid up Share Capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting of the Shareholders of the Company, if any business other than (i) the consideration of the Accounts, Balance Sheet and Reports of the Board and the Auditors thereon, (ii) the declaration of dividend, (iii) appointment of directors in place of those retiring, (iv) the appointment of and fixing the remuneration of, the Auditors, is to be transacted, and in the case of any other meeting, in respect of any item of business, a statement setting out all material facts concerning each such item of business, including, in particular, the nature and extent of the interest, if any, therein of every director and manager, if any, where any such item of special business relates to, or affects any other company, the extent of shareholding interest in that other company or every director and manager, if any, of the Company shall also be set out in the statement if the extent of such Share-holding interest is not less than such percent, as may be prescribed, from time to time, under the Act, of the paid-up Share Capital of that other Company.

Where any item of business consists of the according of approval of the members to any document at the meeting, the time and place, where such document can be inspected, shall be specified in the statement aforesaid.

82. The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt thereof shall not invalidate any resolution passed at any such meeting.
83. No general meeting, whether Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.
84. Subject to the provisions of the Act and these Articles, five(5) shareholders shall constitute quorum in Shareholder's Meetings of the Company if number of shareholders as on date of meeting is not more than One Thousand; Fifteen (15) shareholders shall constitute quorum in Shareholder's Meetings of the Company if number of shareholders as on date of meeting is more than One Thousand but not more than Five Thousand; Thirty (30) shareholders shall constitute quorum in Shareholders' Meetings of the Company if number of shareholders as on date of meeting exceeds five thousand.
85. A body corporate, being a member, shall be deemed to be personally present, if it is represented in accordance with and in the manner as may be prescribed by, the applicable provisions of the Act.
86. If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, then the meeting, if convened by or upon the requisition of members, shall stand dissolved, but in any other case, it shall stand adjourned to such time on the following day or such other day and to such place, as the Board may determine, and, if no such time and place be determined, to the same day in the next week, at the same time and place in the city or town in which the office of the Company is, for the time being, situate, as the Board may determine, and, if at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

87. The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting, whether Annual or Extra-ordinary. If there be no such Chairman, or, if, at any meeting, he shall not be present within 15 (Fifteen) minutes of the time appointed for holding such meeting, then the members present shall elect another director as the Chairman of that meeting, and, if no director be present, or if all the Directors present decline to take the Chair, then the members present shall elect one among them to be the Chairman.
88. No business shall be discussed at any general meeting, except the election of a Chairman, whilst the Chair is vacant.
89. The Chairman, with the consent of the meeting, may adjourn any meeting, from time to time, and from place to place, in the city or town, in which the office of the Company is, for the time being, situate, but no business shall be transacted at any adjourned meeting, other than the business left unfinished, at the meeting, from which the adjournment took place.
90. At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is demanded, before or on the declaration of the result of the show of hands, by any member or members present in person or by proxy and holding Shares in the Company, which confer a power to vote on the resolution not being less than one-tenth or such other proportion as may statutorily be prescribed, from time to time, under the Act, of the total voting power, in respect of the resolution or on which an aggregate sum of not less than Rs. 500,000/- or such other sum as may statutorily be prescribed, from time to time, under the Act, has been paid up, and unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried unanimously or by a particular majority, or has been lost and an entry to that effect in the minutes book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.
91. In the case of an equality of votes, the Chairman shall, both on a show of hands and at a poll, if any, have a casting vote in addition to the vote of votes, if any, to which he may be entitled as a member, if he is.
92. If a poll is demanded as aforesaid, the same shall, subject to Article 94 hereinafter, be taken at Hyderabad or, if not desired, then at such other place as may be decided by the Board, at such time not later than 48 (Forty-eight) hours from the time when the demand was made and place in the city or town in which the office of the Company is, for the time being, situate, and, either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the persons, who made the demand.
93. Where a poll is to be taken, the Chairman of the meeting shall appoint one or, at his discretion, two scrutinizers, who may or may not be members of the Company to scrutinize the votes given on the poll and to report thereon to him, subject to that one of the scrutinizers so appointed shall always be a member, not being an officer or employee of the Company, present at the meeting, provided that such a member is available and willing to be appointed. The Chairman shall have power, at any time, before the result of the poll is declared, to remove a scrutinizer from office and fill the vacancy so caused in the office of a scrutinizer arising from such removal or from any other cause.
94. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment of the meeting shall be taken forthwith at the same meeting.
95. The demand for a poll, except on questions of the election of the Chairman and of an adjournment thereof, shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTES OF MEMBERS

96. No member shall be entitled to vote either personally or by proxy at any general meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, or has exercised, any right of lien.
97. Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions so to voting, for the time being, attached to any class of Shares, for the time being, forming part of the capital of the Company, every member, not disqualified by the last preceding Article shall be entitled to be present, speak and vote at such meeting, and, on a show of hands, every member, present in person, shall have one vote and, upon a poll, the voting right of every member present in person or by proxy shall be in proportion to his Share of the paid-up Equity Share Capital of the Company. Provided, however, if any preference Shareholder be present at any meeting of the Company, subject to the provision of section 47, he shall have a right to vote only on resolutions, placed before the meeting, which directly affect the rights attached to his Preference Shares.
98. On a poll taken at a meeting of the Company, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes, he uses.
99. A member of unsound mind or in respect of whom an order has been made by a court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian; and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote, in respect of his Share or Shares, be used by his guardian, or anyone of his guardians, if more than one, to be selected, in the case of dispute, by the Chairman of the meeting.
100. If there be joint registered holders of any Shares, anyone of such persons may vote at any meeting or may appoint another person, whether a member or not, as his proxy, in respect of such Shares, as if he were solely entitled thereto, but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting, then one of the said persons so present, whose name stands higher on the Register, shall alone be entitled to speak and to vote in respect of such Shares, but the other of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name Shares stand shall, for the purpose of these Articles, be deemed joint holders thereof.
101. Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate, being a member, may vote either by a proxy or by a representative, duly authorised, in accordance with the applicable provisions, if any, of the Act, and such representative shall be entitled to exercise the same rights and powers, including the right to vote by proxy, on behalf of the body corporate, which he represents, as that body corporate could exercise, if it were an individual member.
102. Any person entitled, under the Article 63 hereinabove, to transfer any Share, may vote, at any general meeting, in respect thereof, in the same manner, as if he were the registered holder of such Shares provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of his right to transfer such Shares and give such indemnity, if any, as the Directors may require or the Directors shall have provisionally admitted his right to vote at such meeting in respect thereof.
103. Every proxy, whether a member or not, shall be appointed, in writing, under the hand of the appointer or his attorney, or if such appointer is a body corporate under the common seal of such corporate, or be signed by an officer or officers or any attorney duly authorised by it or them, and, for a member of unsound mind or in respect of whom an order has been made by a court having jurisdiction in lunacy, any committee or guardian may appoint such proxy. The proxy so appointed shall not have a right to speak on any matter at the meeting.

- 104.** An instrument of Proxy may state the appointment of a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Company or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.
- 105.** A member, present by proxy, shall be entitled to vote only on a poll.
- 106.** The instrument appointing a proxy and a Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority, shall be deposited at the Office not later than 48 (Forty-eight) hours before the time for holding the meeting at which the person named in the Instrument proposes to vote, and, in default, the Instrument of Proxy shall not be treated as valid. No instrument appointing a proxy shall be a valid after the expiration of 12 (Twelve) months or such other period as may be prescribed under the Laws, for the time being, in force, or if there shall be no law, then as may be decided by the Directors, from the date of its execution.
- 107.** Every Instrument of proxy, whether for a specified meeting or otherwise, shall, as nearly as circumstances thereto will admit, be in any of the forms as may be prescribed from time to time.
- 108.** A vote, given in accordance with the terms of an Instrument of Proxy, shall be valid notwithstanding the previous death of insanity of the principal, or revocation of the proxy or of any power of Attorney under which such proxy was signed or the transfer of the Share in respect of which the vote is given, provided that no intimation, in writing, of the death or insanity, revocation or transfer shall have been received at the Office before the meeting.
- 109.** No objections shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote, whether given personally or by proxy, or not disallowed at such meeting or on a poll, shall be deemed as valid for all purposes of such meeting or a poll whatsoever.
- 110.** The Chairman, present at the time of taking of a poll, shall be the sole judge of the validity of every vote tendered at such poll.
- 111.**
- (a) The Company shall cause minutes of all proceeding of every general meeting to be kept by making, within 30 (Thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept, whether manually in the registers or by way of loose leaves bound together, as may be decided by the Board of Directors, for that purpose with their pages consecutively numbered.
 - (b) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a director duly authorised by the Board for that purpose.
 - (c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
 - (d) The minutes of each meeting shall contain a fair and correct summary of the proceedings there at.
 - (e) All appointments made at any meeting aforesaid shall be included in the minutes of the meeting.
 - (f) Nothing herein contained shall require or to be deemed to require the inclusion, in any such minutes, of any matter, which, in the opinion of the Chairman of the meeting, (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the

interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

- (g) Any such minutes shall be conclusive evidence of the proceedings recorded therein.
- (h) The book containing the minutes of proceedings of general meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than 2 (Two) hours, in each day, as the Directors determine, to the inspection of any member without charge.

DIRECTORS

- 112.** Until otherwise determined by a general meeting of the Company and, subject to the applicable provisions of the Act, the number of Directors) shall not be less than three nor more than fifteen.

The First Directors of the Company are:

1. Mr. Rajendra Prasad Baldwa
2. Mr. Satish Chandra Baldwa
3. Mr. Arun Kumar Baldwa

113.

- (a) Whenever, Directors enter into a contract with any Government, whether central, state or local, bank or financial institution or any person or persons (hereinafter referred to as "the appointer") for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever or in case of Promoters of the Company (hereinafter referred as "Promoters"), the Directors shall have, subject to the provisions of Section 152 and other applicable provisions, if any, of the Act, the power to agree that such appointer or Promoters shall have the right to appoint or nominate by a notice, in writing, addressed to the Company, one or more Directors on the Board (hereinafter referred to as "Special Director/Nominee Director") for such period and upon such terms and conditions, as may be mentioned in the agreement if any, and that such Director or Directors may or may not be liable to retire by rotation, nor be required to hold any qualification Shares. The Directors may also agree that any such Director or Directors may be removed, from time to time, by the appointer or Promoter, entitled to appoint or nominate them and the appointer or Promoter may appoint another or others in his or their place and also fill in vacancy, which may occur as a result of any such director or directors ceasing to hold that office for any reasons whatsoever. The directors, appointed or nominated under this Article, shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the directors of the Company including payment of remuneration, sitting fees and travelling expenses to such director or directors, as may be agreed by the Company with the appointer.
- (b) The Special Directors / Nominee Director, appointed under the preceding Article, shall be entitled to hold Office until required by the Government, person, firm, body corporate promoters or financial institution/s who may have appointed them, and will not be bound to retire by rotation or be subject to the Articles hereof. A Special Director/ Nominee Director shall not require to hold any qualification Share(s) in the Company. As and when a Special Director/ Nominee Director vacates Office, whether upon request as aforesaid or by death, resignation or otherwise, the Government, person, firm or body corporate promoters or financial institution, who appointed such Special Director/ Nominee Director, may appoint another director in his place. Every nomination, appointment or removal of a Special Director/Nominee Director or other notification, under this Article, shall be in writing and shall, in the case of the Government, be under the hand of a Secretary or some other responsible and authorised official to such Government, and in the case of a company or financial institution, under the hand of director of such company or institution duly authorised in that behalf by a resolution of the Board of Directors. Subject as aforesaid, a Special Director/ Nominee Director shall be entitled to the same rights and privileges and be subject to the same of obligations as any other director of the Company.

114. If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any person or persons shall have power to nominate a director of the Company, then in the case of any and every such issue of Debentures, the person or persons having such power may exercise such power, from time to time, and appoint a director accordingly. Any director so appointed is hereinafter referred to as "the Debenture Director". A Debenture Director may be removed from Office, at any time, by the person or persons in whom, for the time being, is vested the power, under which he was appointed, and another director may be appointed in his place. A Debenture Director shall not be required to hold any qualification Share(s) in the Company.
115. Subject to the provisions of section 161(2) of the Act, 2013, The Board may appoint an alternate director to act for a director (hereinafter called "the Original Director") during his absence for a period of not less than 3 (Three) months or such other period as may be, from time to time, prescribed under the Act, from the India, in which the meetings of Board are ordinarily held. An alternate director appointed, under this Article, shall not hold Office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate Office, if and when the Original Director returns to that State. If the term of Office of the Original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic re-appointment of a retiring director, in default of another appointment, shall apply to the original director and not to the alternate director.
116. Subject to the provisions of section 161(1) of the Act, 2013, the Board shall have power, at any time and from time to time, to appoint any other qualified person to be an Additional Director, but so that the total number of Directors shall not, at any time, exceed the maximum fixed under these Articles. Any such Additional Director shall hold Office only up to the date of the next Annual General Meeting.
117. Subject to the provisions of section 152 and 162 of the Act, 2013, the Board shall have power, at any time and from time to time, to appoint any other qualified person to be a director to fill a casual vacancy. Any person so appointed shall hold Office only up to the date, up to which the director in whose place he is appointed would have held Office if it had not been vacated by him.
118. A director shall not be required to hold any qualification Share(s) in the Company.
- (i) **Subject to** the provisions of section 196, 197 and read with schedule V of the Companies Act, 2013, a Managing Director or Director who is in the Whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, or in any other manner, as may be, from time to time, permitted under the Act or as may be thought fit and proper by the Board or, if prescribed under the Act, by the Company in general meeting
- (ii) Subject generally to the provisions of the Act, and, in the case of the Managing Director, subject to the provisions of the Articles herein below, as may be applicable, the Board shall have power to pay such remuneration to a director for his services, Whole-time or otherwise, rendered to the Company or for services of professional or other nature rendered by him, as may be determined by the Board. If any director, being willing, shall be called upon to perform extra services or make any special exception in going to or residing at a place other than the place where the director usually resides, or otherwise in or for the Company's business or for any of the purpose of the Company, then, subject to the provisions of the Act, the Board shall have power to pay to such director such remuneration, as may be determined by the Board.
- (iii) Subject to the provisions of the Act, a director, who is neither in the Whole-time employment nor a Managing Director, may be paid remuneration either;
- by way of monthly, quarterly or annual payment with the approval of the Central Government; or
- by way of commission, if the Company, by a special resolution, authorises such payment.

The fee payable to a director, excluding a Managing or Whole time Director, if any, for attending a meeting of the Board or Committee thereof shall be such sum, as the Board may, from time to time, determine, but within and subject to the limit prescribed by the Central Government pursuant to the provisions, for the time being, under the Act.

- 119.** The Board may allow and pay to any director such sum, as the Board may consider fair compensation, for travelling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified and if any director be called upon to go or reside out of the ordinary place of his residence for the Company's business, he shall be entitled to be repaid and reimbursed of any travelling or other expenses incurred in connection with business of the Company. The Board may also permit the use of the Company's car or other vehicle, telephone(s) or any such other facility, by the director, only for the business of the Company.
- 120.** The continuing Directors may act, notwithstanding, any vacancy in their body but if, and so long as their number is not reduced below the minimum number fixed by Article 112 hereof. the continuing Directors, not being less than two, may only act, for the purpose of increasing the number of Directors to that prescribed minimum number or of summoning a general meeting but for no other purpose.
- 121.** The office of director shall be vacated, pursuant to the provisions of section 164 and section 167 of the Companies Act, 2013. Further, the Director may resign his office by giving notice to the Company pursuant to section 168 of the Companies Act, 2013.

The company, may by ordinary resolution, remove any ordinary Director other than a Director appointed by the Central Government / Tribunal in pursuance of the Section 242 before the expiry of his period of office and fill up the vacancy thus created in the manner and subject to the provision of Section 169 of the Companies Act, 2013.

(a) The office of a Director shall be vacated:

1. On the happening of any of the conditions provided for in Section 164 and 167 of the Act or any statutory modification thereof.
 2. On the contravention of the provision of Section 188 of the Act or any statutory modification thereon.
 3. If a person is a Director of more than twenty Companies at a time
 4. If he is disqualified under section 164 of the Act or any statutory modification thereof.
 5. In case of alternate Directors, on return of the original Director, to the State, under the provisions of Section 161 of the Act or any statutory modification thereof.
 6. On resignation of his office by notice in writing
- 120.** The Company shall keep a Register, in accordance with Section 189(1) of the Act, and within the time as may be prescribed, enter therein such of the particulars, as may be relevant having regard to the application thereto of Section 184 or Section 188 of the Act, as the case may be. The Register aforesaid shall also specify, in relation to each director of the Company, names of the bodies corporate and firms of which notice has been given by him, as per the applicable provisions. The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and the extracts may be taken therefrom and copies thereof may be required by any member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 189(3) of the Act shall apply accordingly.
- 123.** A director may be or become a director of any other Company promoted by the Company or in which it may be interested as a vendor, Shareholder or otherwise, and no such director shall be accountable for any benefits received as director or Shareholder of such Company except in so far as the provisions of the Act may be applicable.

124.

- a. At every Annual General Meeting of the Company, one-third of such of the Directors, for the time being, as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from Office. The Independent, Nominee, Special and Debenture Directors, if any, shall not be subject to retirement under this clause and shall not be taken into account in determining the rotation of retirement or the number of directors to retire, subject to Section 152 and other applicable provisions, if any, of the Act.
- b. Subject to Section 152 of the Act, the directors, liable to retire by rotation, at every annual general meeting, shall be those, who have been longest in Office since their last appointment, but as between the persons, who became Directors on the same day, and those who are liable to retire by rotation, shall, in default of and subject to any agreement among themselves, be determined by lot.

125. A retiring director shall be eligible for re-election and shall act as a director throughout the meeting at which he retires.

126. Subject to Section 152 of the Act, the Company, at the general meeting at which a director retires in manner aforesaid, may fill up the vacated Office by electing a person thereto.

127.

- (a) If the place of retiring director is not so filled up and further the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday, till the next succeeding day, which is not a public holiday, at the same time and place.
- (b) If at the adjourned meeting also, the place of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have been re-appointed at the adjourned meetings, unless:-
 - (i) at that meeting or at the previous meeting, resolution for the re-appointment of such director has been put to the meeting and lost;
 - (ii) the retiring director has, by a notice, in writing, addressed to the Company or its Board, expressed his unwillingness to be so re-appointed;
 - (iii) he is not qualified, or is disqualified, for appointment
 - (iv) a resolution, whether special or ordinary, is required for the appointment or reappointment by virtue of any provisions of the Act; or.
 - (v) Section 162 of the Act is applicable to the case.

128. Subject to the provisions of Section 149 of the Act, the Company may, by special resolution, from time to time, increase or reduce the number of directors, and may alter their qualifications and the Company may, subject to the provisions of Section 169 of the Act, remove any director before the expiration of his period of Office and appoint another qualified person in his stead. The person so appointed shall hold Office during such time as the director, in whose place he is appointed, would have held, had he not been removed.

129.

- (a) No person, not being a retiring director, shall be eligible for appointment to the office of director at any general meeting unless he or some member, intending to propose him, has, not less than 14 (Fourteen) days or such other period, as may be prescribed, from time to time, under the Act, before the meeting, left at the Office of the Company, a notice, in writing, under his hand, signifying his candidature for the

Office of director or an intention of such member to propose him as a candidate for that office, along with a deposit of Rupees One lakh or such other amount as may be prescribed, from time to time, under the Act" which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a director or gets more than twenty-five per cent of total valid votes cast either on show of hands or on poll on such resolution.

- (b) Every person, other than a director retiring by rotation or otherwise or a person who has left at the Office of the Company a notice under Section 160 of the Act signifying his candidature for the Office of a director, proposed as a candidate for the Office of a director shall sign and file with the Company, the consent, in writing, to act as a director, if appointed.
 - (c) A person, other than a director re-appointed after retirement by rotation immediately on the expiry of his term of Office, or an Additional or Alternate Director, or a person filling a casual vacancy in the Office of a director under Section 161 of the Act, appointed as a director or reappointed as a director immediately on the expiry of his term of Office, shall not act as a director of the Company, unless he has, within thirty days of his appointment, signed and filed with the Registrar his consent, in writing, to act as such director
130. The Company shall keep at its Office a Register containing the particulars of its directors and key managerial personnel and their shareholding as mentioned in Section 170 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.
131. Every director and Key Managerial Personnel within a period of thirty days of his appointment, or relinquishment of his office, as the case may be, disclose to the company the particulars specified in sub-section (1) of section 184 relating to his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association which are required to be included in the register under that section 189 of the Companies Act, 2013.

BORROWING POWERS

- 132.
- (a) Subject to the provisions of the Act, and without prejudice to the power conferred by any other article or articles, the Directors may, from time to time, at their discretion, borrow or secure the payment of any sum or sums of money for the purpose of the company either from any Director or elsewhere on security or otherwise and may secure the repayment or payment of any sum or sums in such manner, and upon such terms and conditions in all respects as they think fit, and in particular by the creation of any mortgage or charge on the undertaking or the whole or any part of the property present or future, or the uncalled Capital of the Company, or by the issue of debenture stock of the company perpetual or redeemable, charged upon the undertaking or all or any part of the property of the company, both present and future including its uncalled capital for the time being and the Directors or any of them may guarantee the whole or any part of the loans or debts raised or incurred by or on behalf of the company or any interest payable thereon, and shall be entitled to receive such payment as consideration for the giving of any such guarantee as may be determined by the Directors with power to them to indemnify the guarantors from or against liability under their guarantees by means of a mortgage or charge on the undertaking of the company or upon any of its property or assets or otherwise.
 - (b) The Directors may at any time by a resolution passed at a Board Meeting delegate to any category of managerial, personnel or any Committee of Directors or any other principal officer of the branch office of the company, the powers specified in sub-clause (a) above provided the resolution delegating powers to such managerial personnel or committee to borrow moneys shall specify the total amount upto which the moneys may be borrowed by him or them.
Provided that the right to conversion of loan or debentures in shares shall not be given without the sanction of the company in General Meeting.
 - (c) The Directors shall cause a proper register to be kept in accordance with the provisions of the Act or

changes specifically affecting the property of the Company and shall duly comply with the requirements of the Act with regard to the registration of mortgages and charges. The register of charges kept in pursuance of the Act shall be open during business hours, subject to reasonable restrictions as the Company in General Meeting may impose so that not less than two hours in each day are allowed for such inspection to any creditor or member of the Company without fee and to any other person on payment of Re 1/- for each inspection at the Registered Office of the Company.

- (d) Subject to the provisions of the Act and Companies (Acceptance of Deposit) Rules, 2014 the Directors may receive deposits on such terms and bearing interest at such rate as the Directors may decide from time to time. The deposits may be received from any person or person including the Directors and the Shareholders of the Company
133. The Directors may, subject to the provisions of Section 180 of the Act borrow any sum of money and where the moneys to be borrowed together with the money(s) already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) exceeds the aggregate of the paid up capital of the company and its reserves that is to say, reserves not set apart for any specific purpose, the sanction of the General Meeting should be obtained and every resolution passed by the company in relation to the exercise of the power referred to in the Article shall specify the total amount upto which moneys may be borrowed by the Board of Directors
134. The Directors shall be entitled to receive interest on loans made by them to the company as may be agreed between the Company and the Directors. The Directors, including the Managing Director may guarantee any loan made to the Company and shall be entitled to receive such payment on account of his having given any such guarantee as may be determined by the Board, and such payment shall not be remuneration in respect of his services as Director.
135. If any uncalled capital of the company be included in or charged by any mortgage or security is executed, or any other person in trust for him to make calls on the members in respect of such uncalled capital, and the provisions herein before contained in regard to calls shall mutates mutandis apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally made either to the exclusion of the Directors power or otherwise and shall be assignable if expressed so to be.

MANAGING DIRECTOR

- 136.
- (1) Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint, from time to time, any of its member as a Managing Director or Managing Directors of the Company for a fixed term, not exceeding 5 (Five) years at a time, and upon such terms and conditions as the Board thinks fit, and subject to the provisions of the succeeding Article hereof: the Board may, by resolution, vest in such Managing Director or Managing Directors such of the powers hereby vested in the Board generally, as it thinks fit, and such powers may be made exercisable for such period or periods; and upon such conditions and subject to such restrictions, as it may determine. The remuneration of a Managing Director may be by way of salary and/or allowances, commission or participation in profits or perquisites of any kind, nature or description, or by any or all of these modes, or by any other mode(s) not expressly prohibited by the Act or the Rules made thereunder, or any notification or circular issued under the Act.
- (2) The Board shall have power to appoint an individual as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company at the same time.
137. Subject to the superintendence, directions and control of the Board, the Managing Director or Managing Directors shall exercise the powers, except to the extent mentioned in the matters, in respect of which resolutions are required to be passed only at the meeting of the Board, under Section 179 of the Act and the rules made thereunder.
138. Subject also to the other applicable provisions, if any, of the Act, the Company shall not appoint or employ, or

continue the appointment or employment of, a person as its Managing or Whole-time Director who :-

- (a) is below the age of twenty-one years or has attained the age of seventy years
- (b) is an undischarged insolvent, or has any time been adjudged an insolvent;
- (c) suspends, or has at any time suspended, payment to his creditors, or makes or has, at any time, made, a composition with them; or
- (d) is or has, at any time, been convicted by a Court and sentenced for a period of more than six months.

PROCEEDINGS OF THE BOARD OF DIRECTORS

- 139.** Unless decided by the Board to the contrary, depending upon the circumstances of the case, a Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, in accordance with the Article 124 hereof. If he ceases to hold the office of director, he shall ipso-facto and forthwith ceases to hold the office of Managing Director.
- 140.** The Directors may meet together as a Board for the dispatch of business, from time to time, and shall so meet at least once in every 3 (Three) months and at least 4 (Four) such meetings shall be held in every year in such a manner that not more than one hundred and twenty days (120) days shall intervene between two consecutive meetings of the Board. The Directors may adjourn and otherwise regulate their meetings as they think fit, subject to the provisions of the Act. The Board of directors may participate in a meeting of the Board either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meetings along with date and time subject to the rules as may be prescribed.
- 141.** not less than seven (7) days' Notice of every meeting of the Board may be given, in writing, in writing to every director at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means.

Subject to the provisions of section 173(3) meeting may be called at shorter notice.
- 142.** Subject to Section 174 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength, excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one, or two directors, whichever is higher, provided that where, at any time, the number of interested directors exceeds or is equal to two-thirds of the total strength the number of the remaining directors, that is to say, the number of directors who are not interested, present at the meeting, being not less than two, shall be the quorum, during such time.
- 143.** If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned for 30 minutes in the same day and at same place.
- 144.** A director may, at any time, or Secretary shall, as and when directed by the any of the Directors to do so, convene a meeting of the Board, by giving a notice, in writing, to every other director.
- 145.** The Board may, from time to time, elect one of their member to be the Chairman of the Board and determine the period for which he is to hold the office. If at any meeting of the Board, the Chairman is not present at a time appointed for holding the same, the directors present shall choose one of them, being present, to be the Chairman of such meeting.
- 146.** Subject to the restrictive provisions of any agreement or understanding as entered into by the Company with any other person(s) such as the collaborators, financial institutions, etc., the questions arising at any meeting of the Board shall be decided by a majority of the votes of the directors present there at and, also subject to the

foregoing, in the case of an equality of votes, the Chairman shall have a second or casting vote.

147. A meeting of the Board, at which a quorum is present, shall be competent to exercise all or any of the authorities, powers and discretions, which, by or under the Act or the Articles of the Company, are, for the time being, vested in or exercisable by the Board generally.
148. Subject to the restrictions contained in Section 179 of the Act 2013 and the rules made thereunder, the Board may delegate any of their powers to the committee of the Board, consisting of such number of its body, as it thinks fit, and it may, from time to time, revoke and discharge any such committee of the Board, either wholly or in part and either as to persons or purposes, but every committee of the Board, so formed, shall, in the exercise of the powers so delegated, conform to any regulations that may, from time to time, be imposed on it by the Board. All acts done by any such committee of the Board, in conformity with such regulations, and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if were done by the Board.
149. The meetings and proceedings of any meeting of such Committee of the Board, consisting of two or more members, shall be governed by the provisions contained herein for regulating the meetings and proceedings of the meetings of the directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article,
150. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors or to all the members of the Committee, then in India, not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be, and to all the directors or to all the members of the Committee, at their usual addresses in India and has been approved, in writing, by such of the directors or members of the Committee as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.
151. All acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a director shall notwithstanding that it shall, afterwards, be discovered that there was some defect in the appointment of such director or persons acting as aforesaid or that they or any of them were or was, as the case may be, disqualified or had vacated office or that the appointment of any of them was disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had duly been appointed and was qualified to be a director and had not vacated his office or his appointment had not been terminated, provided that nothing in this Article shall be deemed to give validity to any act or acts done by a director or directors after his or their appointment(s) has or have been shown to the Company to be invalid or to have terminated.
- 152.
- (a) The Company shall cause minutes of all proceedings of every meeting of the Board and the Committee thereof to be kept by making, within 30 (Thirty) days of the conclusion of each such meeting, entries thereof in books kept, whether manually in the registers or by way of loose leaves bound together, as may be decided by the Board of Directors, for that purpose with their pages consecutively numbered.
 - (b) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
 - (c) In no case, the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
 - (d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
 - (e) All appointment made at any of the meetings aforesaid shall be included in the minutes of the meeting.
 - (f) The minutes shall also contain :-

- (i) the names of the Directors present at the meeting; and
 - (ii) in the case of each resolution passed at the meeting, the names of the directors, if any dissenting from or not concurring in the resolution.
- (g) Nothing contained in sub-clauses (a) to (f) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting –
- (i) is, or could reasonably be regarded as, defamatory of any person;
 - (ii) is irrelevant or immaterial to the proceedings; or
 - (iii) is detrimental to the interests of the Company;.

and that the Chairman shall exercise an absolute discretion with regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in this sub-clause.

- (h) Minutes of the meetings kept in accordance with the aforesaid provisions shall be an evidence of the proceedings recorded therein.

153. Without prejudice to the general powers as well as those under the Act, and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles or otherwise, it is hereby declared that the Directors shall have, inter alia, the following powers, that is to say, power –

- (a) to pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company;
- (b) to pay and charge, to the account of the Company, any commission or interest lawfully payable thereon under the provision of the Act;
- (c) subject to the provisions of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges, which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and being in the interests of the Company, and in any such purchase or other acquisition to accept such title or to obtain such right as the directors may believe or may be advised to be reasonably satisfactory;
- (d) at their discretion and subject to the provisions of the Act, to pay for any property, right or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in Shares, Bonds, Debentures, mortgages, or other securities of the Company, and any such Shares may be issued either as fully paid up, with such amount credited as paid up thereon, as may be agreed upon, and any such bonds, Debentures, mortgages or other securities may either be specifically charged upon all or any part of the properties of the Company and its uncalled capital or not so charged;
- (e) to secure the fulfillment of any contracts or engagement entered into by the Company or, in the interests or for the purposes of this Company, by, with or against any other Company, firm or person, by mortgage or charge of all or any of the properties of the Company and its uncalled capital, for the time being, or in such manner and to such extent as they may think fit;
- (f) to accept from any member, as far as may be permissible by law, a surrender of his Shares or any part thereof, whether under buy-back or otherwise, on such terms and conditions as shall be agreed mutually, and as may be permitted, from time to time, under the Act or any other Law or the Regulations, for the time being, in force,
- (g) to appoint any person to accept and hold in trust, for the Company, any properly belonging to the Company, in which it is interested, or for any other purposes, and execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;

- (h) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts, due and of any differences to arbitration and observe and perform any awards made thereon;
- (i) to act on behalf of the Company in all matters relating to bankruptcy and insolvents;
- (j) to make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company;
- (k) subject to the applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security, not being Shares of this Company, or without security and in such manner, as they may think fit, and from time to time, to vary or realise such investments, save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name;
- (l) to execute, in the name and on behalf of the Company, in favour of any director or other person, who may incur or be about to incur any personal liability whether as principal or surety, for the benefit or purposes of the Company, such mortgages of the Company's property, present and future, as they may think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon;
- (m) to determine from time to time, who shall be entitled to sign, on behalf of the Company, bills, invoices, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and or any other document or documents and to give the necessary authority for such purpose, and further to operate the banking or any other kinds of accounts, maintained in the name of and for the business of the Company;
- (n) to distribute, by way of bonus, incentive or otherwise, amongst the employees of the Company, a Share 01' Shares in the profits of the Company, and to give to any staff, officer or others employed by the Company a commission on the profits of any particular business 01' transaction, and to charge any such bonus, incentive or commission paid by the Company as a part of the operational expenditure of the Company;
- (o) to provide for the welfare of directors or ex-directors, Shareholders, for the time being, or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses or dwellings, or grants of moneys, whether as a gift or otherwise, pension, gratuities, allowances, bonus, loyalty bonuses or other payments, also whether by way of monetary payments or otherwise, or by creating and from time to time, subscribing or contributing to provident and other association, institutions, funds or trusts and by providing or subscribing or contributing towards places of worship, instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance, as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects, which shall have any moral or other claim to support or aid by the Company, either by reason of locality or place of operations, or of public and general utility or otherwise;
- (p) before recommending any dividend, to set aside out of the profits of the Company such sums, as the Board may think proper, for depreciation or to a Depreciation Fund, or to an Insurance Fund, a Reserve Fund, Capital Redemption Fund, Dividend Equalisation Fund, Sinking Fund or any Special Fund to meet contingencies or to repay debentures or debenture-stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes, including the purposes referred to in the preceding clause, as the Board may, in their absolute discretion, think conducive to the interests of the Company and, subject to the provisions of the Act, to invest the several sums so set aside or so much thereof, as required to be invested, upon such investments, other than shares of the Company, as they may think fit, and from time to time, to deal with and vary such investments and dispose off and apply and expend all or any part thereof for the benefit of the Company, in

such manner and for such purposes, as the Board, in their absolute discretion, think conducive to the interests of the Company, notwithstanding, that the matter, to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended, and to divide the Reserve Fund into such special funds, as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or divisions of a Reserve Fund and with full powers to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase of or repayment of debentures or debenture stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, subject to the provisions of the applicable laws, for the time being, in force.

- (q) to appoint and at their discretion, remove or suspend such general managers, secretaries, assistants, supervisors, clerks, agents and servants or other employees, in or for permanent, temporary or special services, as they may, from time to time, think fit, and to determine their powers and duties and to fix their salaries, emoluments or remuneration of such amount, as they may think fit.
- (r) to comply with the requirements of any local laws, Rules or Regulations, which, in their opinion, it shall, in the interests of the Company, be necessary or expedient to comply with.
- (s) at any time, and from time to time, by power of attorney, under the Seal of the Company, to appoint any person or persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions, not exceeding those vested in or exercisable by the Board under these presents and excluding the powers to make calls and
excluding also except in their limits authorised by the Board the power to make loans and borrow moneys, and for such period and subject to such conditions as the Board may, from time to time, think fit, and any such appointment may, if the Board thinks fit, be made in favour of the members or in favour of any Company, or the Share-holders, directors, nominees, or managers of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such powers for the protection of convenience of person dealing with such Attorneys, as the Board may think fit, and may contain powers enabling any such delegates all or any of the powers, authorities and discretions, for the time being, vested in them;
- (t) Subject to the provisions of the Act, for or in relation to any of the matters, aforesaid or otherwise, for the purposes of the Company, to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company, as they may consider expedient;
- (u) from time to time, make, vary and repeal bylaws for the regulation of the business of the Company, its Officers and Servants.

MANAGEMENT

154. The Company shall not appoint or employ, at the same time, more than one of the following categories of managerial personnel, namely
- (a) Managing Director, and
 - (b) Manager

**CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR
CHIEF FINANCIAL OFFICER**

155. Subject to the provisions of the Act,-

- (i) A chief executive officer, manager, company secretary, chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary, chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A director may be appointed as chief executive officer, manager, company secretary, chief financial officer.

156. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary, chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary, chief financial officer.

COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

157. Copies of the Memorandum and Articles of Association of the Company and other documents, referred to in Section 17 of the Act, shall be sent by the Company to every member, at his request, within 7 (Seven) days of the request, on payment, if required by the Board, of the sum of Re.1/(Rupee One only) or such other higher sum, as may be prescribed, from time to time, under the Act and further decided, from time to time, by the Board, for each such copy.

SEAL

158.

- (a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power, from time to time, to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal, for the time being, and that the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. The Common Seal of the Company shall be kept at its office or at such other place, in India, as the Board thinks fit.
- (b) The Common Seal of the Company shall be used by or under the authority of the Directors or by a Committee of the Board of Directors authorised by it in that behalf in the presence of at least one director, or Secretary or any other responsible officer of the Company as may be expressly authorised by the Board by way of a resolution passed at their duly constituted meeting, who shall sign every instrument to which the seal is affixed. Such instruments may also be counter-signed by other officer or officers, if any, appointed for the purpose.

However, the certificates, relating to Shares or Debentures in or of the Company, shall be signed in such manner as may be prescribed in the Act and/or any Rules thereunder,

DIVIDEND

159. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles, and further subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid up or credited as paid up to the Shares held by them respectively.

160. The Company, in general meeting, may declare that dividends be paid to the members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company may, in general meeting, declare a smaller dividend than was recommended by the Board.

- 161.** Subject to the applicable provisions of the Act, no dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that :-
- (a) if the Company has not provided for any previous financial year or years it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;
 - (b) if the Company has incurred any loss in any previous financial year or years the amount of loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid as against the profits of the Company for any financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of schedule II of the Act
- 162.** The Board may, from time to time, pay to the members such interim dividend, as in their judgment, the position of the Company justifies.
- 163.** Where capital is paid in advance of calls, such capital may carry interest as may be decided, from time to time, by the Board, but shall not, in respect thereof, confer a right to dividend or to participate in profits.
- 164.** All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during which any portion or portions of the period in respect of which the dividend is paid up; but if any Share is issued on the terms providing that it shall rank for dividend as from a particular date or on such preferred rights, such Share shall rank for dividend accordingly.
- 165.** The Board may retain the dividends payable upon Shares in respect of which any person is, under the Article 63 hereinabove, entitled to become a member, or which any person under that article is entitled to transfer until such person shall become a member in respect of such Shares, or shall duly transfer the same and until such transfer of Shares has been registered by the Company, notwithstanding anything contained in any other provision of the Act or these Articles, the provisions of Section 206A of the Act or the corresponding section of Act, 2013 as and when notified shall apply.
- 166.** Anyone of several persons, who are registered as joint holders of any Share, may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such Shares.
- 167.** No member shall be entitled to receive payment of any interest or dividend in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares or otherwise howsoever, either alone or jointly with any other person or persons, and the Board may deduct, from the interest or dividend payable to any member, all sums of money so due from him to the Company.
- 168.** Subject to the applicable provisions, if any, of the Act, a transfer of Shares shall not pass the right to any dividend declared thereon and made effective from the date prior to the registration of the transfer.
- 169.** Unless otherwise directed, any dividend may be paid up by cheque or warrant or by a pay-slip sent through the post to the registered address of the member or person entitled, or, in the case of joint holders, to that one of them first named in the Register in respect of the joint holdings. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay-slip lost in transmission or for any dividend lost to the member or person entitled thereto due to or by the forged endorsement of any cheque or warrant or the fraudulent recovery of the dividend by any other means.

170.

- a) If the Company has declared a dividend but which has not been paid or claimed within 30 (Thirty) days from the date of declaration the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 (Thirty) days a special account to be opened by the Company in that behalf in any scheduled Bank called "the Unpaid Dividend Account of Limited". The Company shall within a period of ninety days of making any transfer of an amount to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the Company and also on any other website approved by the Central Government, for this purpose. No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.
- (b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (Seven) years, from the date of such transfer shall be transferred by the Company to the Fund known as the Investor Education and Protection Fund established under Section 205C of the Act 1956 or the corresponding section of Act, 2013 as and when notified shall apply.

171. Subject to the provisions of the Act, no unpaid dividend shall bear interest as against the Company.

172. Any general meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting decides, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the calls.

CAPITALISATION

173.

- (a) The Company, in general meeting, may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account or in the hands of the Company and available for dividend, or representing premium received on the issue of Shares and standing to the credit of the Share Premium Account, be capitalised and distributed amongst such of the Shareholders as would be entitled to receive the same, if distributed by way of dividend, and in the same proportion on the footing that they become entitled thereto as capital, and that all or any part of such capitalised fund be applied, on behalf of such Shareholders, in paying up in full either at par or at such premium, as the resolution may provide, any unissued Shares or Debentures or Debenture stock of the Company which shall be distributed accordingly on in or towards payment of the uncalled liability on any issued Shares or Debentures, stock and that such distribution or payment shall be accepted by such Shareholders in full satisfaction of their interest in the said capitalised sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied for the paying of any unissued Shares to be issued to members of the Company as, fully paid up, bonus Shares.
- (b) A general meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company, not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital.
- (c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article, the Board may settle any difficulty, which may arise, in regard to the distribution, as it thinks expedient, and, in particular, may issue fractional certificates and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of value less than Rs.10/- (Rupees Ten Only) may be disregarded in order to adjust the rights of all parties, and may vest any such
- (d) cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalised funds, as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act and the Board may appoint any

person to sign such contract, on behalf of the persons entitled to the dividend or capitalized fund, and such appointment shall be effective.

ACCOUNTS

174. The Company shall keep at the Office or at such other place in India, as the Board thinks fit and proper, books of account, in accordance with the provisions of the Act with respect to :-
- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;
 - (b) all sales and purchases of goods by the Company;
 - (c) the assets and liabilities of the Company;
 - (d) such particulars, if applicable to this Company, relating to utilisation of material and/or labour or to other items of cost, as may be prescribed by the Central Government.

Where the Board decides to keep all or any of the books of account at any place, other than the Office of the Company, the Company shall, within 7 (Seven) days, or such other period, as may be fixed, from time to time, by the Act, of the decision, file with the Registrar, a notice, in writing, giving the full address of that other place.

The Company shall preserve, in good order, the books of account, relating to the period of not less than 8 (Eight) years or such other period, as may be prescribed, from time to time, under the Act, preceding the current year, together with the vouchers relevant to any entry in such books.

Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article, if proper books of account, relating to the transaction effected at the branch office, are kept at the branch office, and the proper summarised returns, made up to day at intervals of not more than 3 (Three) months or such other period, as may be prescribed, from time to time, by the Act, are sent by the branch office to the Company at its Office or other place in India, at which the books of account of the Company are kept as aforesaid.

The books of account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain the transactions represented by it. The books of account and other books and papers shall be open to inspection by any director, during business hours, on a working day, after a prior notice, in writing, is given to the Accounts or Finance department of the Company.

175. The Board shall, from time to time, determine, whether, and to what extent, and at what times and places, and under what conditions or regulations, the accounts and books of the Company or any of them shall be open to the inspection of members, not being the directors, and no member, not being a director, shall have any right of inspecting any account or books or document of the Company, except as conferred by law or authorised by the Board.
176. The Directors shall, from time to time, in accordance with sections 129 and 134 of the Act, cause to be prepared and to be laid before the Company in Annual General Meeting of the Shareholders of the Company, such Balance Sheets, Profit and Loss Accounts, if any, and the Reports as are required by those Sections of the Act.
177. A copy of every such Profit & Loss Accounts and Balance Sheets, including the Directors' Report, the Auditors' Report and every other document(s) required by law to be annexed or attached to the Balance Sheet, shall at least 21 (Twenty-one) days, before the meeting, at which the same are to be laid before the members, be sent to the members of the Company, to every trustee for the holders of any Debentures issued by the Company, whether such member or trustee is or is not entitled to have notices of general meetings of the

Company sent to him, and to all persons other than such member or trustees being persons so entitled.

178. The Auditors, whether statutory, branch or internal, shall be appointed and their rights and duties shall be regulated in accordance with the provisions of the Act and the Rules made thereunder.

DOCUMENTS AND NOTICES

- (a) A document or notice may be served or given by the Company on any member either personally or by sending it, by post or by such other means such as fax, e-mail, if permitted under the Act, to him at his registered address or, if he has no registered address in India, to the address, if any, in India, supplied by him to the Company for serving documents or notices on him.
- (b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, pre-paying, wherever required, and posting a letter containing the document or notice, provided that where a member has intimated to the Company, in advance, that documents or notices should be sent to him under a certificate of posting or by registered post, with or without the acknowledgement due, and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner and, such service shall be deemed to have been effected, in the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted, and in any other case, at the time at which the letter would be delivered in the ordinary course of post.
180. A document or notice, whether in brief or otherwise, advertised, if thought fit by the Board, in a newspaper circulating in the neighborhood of the Office shall be deemed to be duly served or sent on the day, on which the advertisement appears, on or to every member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notices to him.
181. A document or notice may be served or given by the Company on or to the joint holders of a Share by serving or giving the document or notice on or to the joint holder named first in the Register of Members in respect of the Share.
182. A document or notice may be served or given by the Company on or to the person entitled to a Share, including the person nominated in the manner prescribed hereinabove, in consequence of the death or insolvency of a member by sending it through the post as a prepaid letter addressed to them by name or by the title or representatives of the deceased, or assigned of the insolvent or by any like description, at the address, if any, in India, supplied for the purpose by the persons claiming to be entitled, or, until such an address has been so supplied, by serving the document or notice, in any manner in which the same might have been given, if the death or insolvency had not occurred.
183. Documents or notices of every general meeting shall be served or given in some manner hereinafter authorised on or to (a) every member, (b) every person entitled to a Share in consequence of the death or insolvency of member, (c) the Auditor or Auditors of the Company, and (d) the directors of the Company.
184. Every person who, by operation of law, transfer or by other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which, previously to his name and address being entered on the Register of Members, shall have duly served on or given to the person from whom he derives his title to such Shares.
185. Any document or notice to be served or given by the Company may be signed by a director or some person duly authorised by the Board for such purpose and the signature thereto may be written, printed or lithographed.
186. All documents or notices to be served or given by members on or to the Company or any Officer thereof shall be served or given by sending it to the Company or Officer at the Office by post, under a certificate of posting

or by registered post, or by leaving it at the Office, or by such other means such as fax, e-mail, if permitted under the Act.

WINDING UP

187. The Liquidator, on any winding up, whether voluntary or under supervision or compulsory, may, with the sanction of a special resolution, but subject to the rights attached to any Preference Share Capital, divide among the contributories, in specie, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories, as the liquidators, with the like sanction, shall think fit.

INDEMNITY AND RESPONSIBILITY

188. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

SECRECY

- 189.
- a) Every director, manager, auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with the individuals and in matters relating thereto, and shall, by such declaration, pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by Law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions contained in these presents or the Memorandum of Association of the Company.

No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors, or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and, which in the opinion of the Directors, it would be inexpedient in the interests of the Company to disclose

TRUST NOT RECOGNIZED

190. Except as required by law, no person shall be recognised by the company as holding any shares upon any trust, and the company shall not, save as ordered by some court of competent jurisdiction be bound by or be compelled in any way to recognise (even when having notice thereof) any benami, equitable, contingent, future or partial interest in any share or any fractional part of a share or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right thereto in the person or persons from time to time registered as the holder or holders thereof.

GENERAL POWER

191. Wherever, in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Draft Letter of Offer), which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company situated at 2nd Floor, DLF Centre, Sansad Marg, New Delhi - 110001 from 10.00 AM to 02.00 p.m. from the date of the Draft Letter of Offer until the date of closure of the Rights Issue.

A. Material Contracts

1. Issue Agreement dated December 30, 2017 entered between our Company and the Lead Manager
2. Agreement dated December 29, 2017 entered between our Company and the Registrar to the Issue
3. Banker to the Issue Agreement dated [●] between our Company, the Lead Manager, the Registrar to the Issue and Banker to the Issue.

B. Documents available for inspection

1. Certificate of Incorporation of our Company dated November 16, 1994.
2. Memorandum and Articles of Association of our Company.
3. Tripartite agreements dated January 30, 2006 and March 29, 2006 entered into with NSDL and CDSL respectively.
4. Copy of the Resolution passed by the Directors in their meeting dated December 20, 2017 approving the Issue.
5. Consents of the Promoters, Directors, Compliance Officer, Lead Manager to the Issue, Legal Counsel, Registrar to the Issue, Bankers to our Company, Statutory Auditors, Banker to the Issue to include their names in the Draft Letter of Offer to act in their respective capacities.
6. Copy of resolution appointing the Managing Director.
7. Annual Reports for the financial years ended March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014.
8. Restated Financial Statements for last five financial years ending March 31, 2017 by the auditors and for stub period ended October 31, 2017.
9. Statement of Tax Benefits dated December 26, 2017 received from the Peer Reviewed Auditors of our Company.
10. A Certificate from M/s Divyank Khullar and Associates, Chartered Accountants dated December 26, 2017 for deployment of funds towards objects of the issue.
11. In-principle listing approval for this Issue dated [●] from BSE respectively.
12. SEBI Observation letter no. [●] dated [●].

Any of the contracts or documents mentioned in the Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

No statement made in the Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. All the legal requirements connected with the said issue as also the regulations, instructions etc. issued by SEBI, Government of India, Reserve Bank of India and any other competent authority in this behalf, have been duly complied with. We further certify that all statements made in the Draft Letter of Offer are true and correct.

On behalf of the Board of Directors of **Capital India Finance Limited**

Sd/-
Vinod Somani
Director

Sd/-
Achal Kumar Gupta
Director

Sd/-
Promila Bhardwaj
Director

Sd/-
Keshav Porwal
Managing Director

Sd/-
Amit Sahai Kulshreshtha
CEO & Director

Sd/-
Vineet Kumar Saxena
Director

Sd/-
Rahul Ramesh Kumar Jain
Director

Sd/-
Subodh Kumar
Director

Sd/-
Shraddha Kamat Suresh
Director

Sd/-
Rachit Malhotra
Company Secretary

Place: Delhi
Date: January 11, 2018