

CAPITAL INDIA

Home Loans

CAPITAL INDIA HOME LOANS LIMITED

2nd ANNUAL REPORT

2018-19



CORPORATE INFORMATION

BOARD OF DIRECTORS

DIRECTOR IDENTIFICATION NO. (DIN)

Mr. Keshav Porwal	:	06706341
Mr. Amit Sahai Kulshreshtha	:	07869849
Mr. Vineet Kumar Saxena	:	07710277

KEY MANAGERIAL PERSONNEL (KMP)

Mr. Amit Sahai Kulshreshtha	:	Managing Director
Mr. Vineet Kumar Saxena	:	Chief Executive Officer & Whole-time Director
Mr. Neeraj Toshniwal	:	Chief Financial Officer
Mr. Rachit Malhotra	:	Company Secretary

ASSET-LIABILITY COMMITTEE

Mr. Vineet Kumar Saxena	:	Chairman
Mr. Chetan Bafna	:	Member
Mr. Prince Gupta	:	Member

MANAGEMENT COMMITTEE

Mr. Vineet Kumar Saxena	:	Chairman
Mr. Amit Sahai Kulshreshtha	:	Member

STATUTORY AUDITORS

M/s Deloitte Haskins & Sells LLP,
Chartered Accountants,
Mumbai

REGISTRAR & SHARE TRANSFER AGENT

Karvy Fintech Private Limited,
(formerly known as KCPL Advisory Services Pvt. Ltd.),
Hyderabad

REGISTERED OFFICE

2nd Floor, DLF Centre, Sansad, Marg,
New Delhi – 110 001

CORPORATE OFFICE

A-1402, One BKC, 14th Floor, G-Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051

BOARD'S REPORT

To,
The Members,
Capital India Home Loans Limited ('the Company')

Your Directors are pleased to present before you their 2nd (Second) Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended on March 31, 2019 ("period under review").

The Company was incorporated on August 11, 2017 as a wholly owned subsidiary of Capital India Finance Limited (*formerly known as Bhilwara Tex-Fin Limited*).

1. FINANCIAL RESULTS AND BUSINESS OPERATION

The Company's financial performances for the period under review are given hereunder:

Particulars	(In Rupees)	
	Year ended March 31, 2019	Year ended March 31, 2018
Total Income	31,421,270	3,369,636
Total Expenditure	75,343,575	5,351,196
Profit / (Loss) before tax	(43,922,305)	(1,981,560)
Provision for tax (including Deferred Tax)	(1,144,548)	(510,252)
Profit / (Loss) after tax	(42,777,757)	(1,471,308)
Add: Profit and Loss account balance brought forward from previous year	(1,471,308)	-
Less: Transfer to reserves	-	-
Balance carried to Balance Sheet	(44,249,065)	(1,471,308)

2. AMOUNTS TRANSFERRED TO RESERVES

In terms of Section 29C of the National Housing Bank ("NHB") Act, 1987, the Company is required to transfer at least 20% of its Profit after tax to a Reserve Fund before any dividend is declared. Transfer to a Reserve Fund in terms of section 36(1)(viii) of the Income Tax Act, 1961 is also considered as an eligible transfer as transfer to Special Reserve under Section 29C of the NHB Act, 1987. However, during the current and previous year, the Company has not made any profits and hence no amount was transferred to Special Reserve as per Section 29C of the NHB Act, 1987.

The Company has also made a provision of Rs.121,000/- (Rupees One Lakh Twenty One Thousand only) for Standard Assets during the period under review. Total provisions for Standard Assets of the Company as at the Financial Year ended March 31, 2019 is Rs.121,000/- (Rupees One Lakh Twenty One Thousand only).

Except as mentioned above, no amount was transferred to any reserve by the Company during the period under review.

3. SHARE CAPITAL

During the period under review, the Company has increased its authorised share capital from Rs. 15,00,00,000/- (Rupees Fifteen Crore only) to Rs. 150,00,00,000/- (Rupees One Hundred and Fifty Crore only) pursuant to the

Capital India Home Loans Limited

approval of the shareholders of the Company in their Extra-ordinary general meeting dated January 21, 2019, and the Company has increased its paid up share capital from Rs. 15,00,00,000/- (Rupees Fifteen Crore only) to Rs. 40,00,00,000/- (Rupees Forty Crore only), pursuant to allotment of 2,50,00,000 (Two Crore Fifty Lakhs) equity shares of Rs. 10/- (Rupees Ten only) each on right basis.

The authorised share capital of the Company is Rs. 150,00,00,000/- (Rupees One Hundred and Fifty Crore only) divided into 15,00,00,000 (Fifteen Crore) equity shares of Rs. 10/- (Rupees Ten only) each.

The paid up share capital of the Company is Rs. 40,00,00,000/- (Rupees Forty Crore only) divided into 4,00,00,000 (Four Crore) equity shares of Rs. 10/- (Rupees Ten only) each.

4. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

The Company was incorporated to carry out the business of Housing Finance and Processing Home Loans for which an application for obtaining Certificate of Registration ("CoR") was submitted to the NHB. The Company received a letter dated February 11, 2019, issued by NHB, for grant of CoR to carry on the business of a Housing Finance Company. Pursuant to the grant of CoR, the Company had commenced its business operations and the intimation regarding the same have been submitted to the NHB vide letter dated March 16, 2019.

During the period under review, the Gross Income of the Company was Rs.31,421,270/- (Rupees Three Crore Fourteen Lakhs Twenty One Thousand Two Hundred and Seventy only) and Loss after Tax was Rs.42,777,757/- (Rupees Four Crore Twenty Seven Lakhs Seventy Seven Thousand Seven Hundred and Fifty Seven only). The Company's Net-worth as on March 31, 2019 was Rs.355,750,935/- (Rupees Thirty Five Crore Fifty Seven Lacs Fifty Thousand Nine Hundred and Thirty Five only).

The management has identified a potential roadmap for the future operations and is hopeful of a decent growth in the years ahead. Your Directors are hopeful to increase the commercial activities at a large scale in coming years and to achieve better financial results.

5. CHANGE IN NATURE OF BUSINESS

During the period under review, there has been no change in the nature of business activities of the Company except as stated below:

The shareholders *vide* their approval dated January 22, 2019, had approved the alteration in the object clause of Memorandum of Association of the Company ("MOA") by inserting the following clause after the Clause 3(A) 4 of the MOA:

"5) To act as corporate agents for insurance companies and / or to carry out insurance intermediation.1"

6. DIVIDEND

In view of losses, your Directors do not recommend any dividend for the period under review.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

As on March 31, 2019, the Board of Directors of the Company comprise of the following directors: -

a) Mr. Amit Sahai Kulshreshtha	-	Managing Director
b) Mr. Keshav Porwal	-	Director
c) Mr. Vineet Kumar Saxena	-	Chief Executive Officer & Whole-time Director

As on March 31, 2019, the following are the Key Managerial Personnel of the Company:

Capital India Home Loans Limited

- | | | |
|--------------------------------|---|---|
| a) Mr. Amit Sahai Kulshreshtha | – | Managing Director |
| b) Mr. Vineet Kumar Saxena | – | Chief Executive Officer & Whole-time Director |
| c) Mr. Neeraj Toshniwal | – | Chief Financial Officer |
| d) Mr. Rachit Malhotra | – | Company Secretary |

Change in the Board of Directors & Key Managerial Personnel

During the period under review, the Board has, *vide* its approval dated March 26, 2018, changed the designation of Mr. Vineet Kumar Saxena from Non-Executive Director to Whole-time Director with effect from April 1, 2018.

There was no change in the Board of Directors and Key Managerial Personnel of the Company otherwise than as stated above.

Director retiring by rotation

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Amit Sahai Kulshreshtha is liable to retire by rotation at the ensuing Annual General Meeting (AGM) of the Company. He, being eligible for re-appointment, has offered himself for re-appointment at such AGM and the matter shall be placed before the members for their consideration at the ensuing AGM.

Particulars of employees receiving remuneration more than the limit prescribed

The provisions and disclosures required under section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

8. GENERAL DISCLOSURE

Your Directors states that no disclosure or reporting is required in respect of the following items as there was no transaction on these during the period under review:

- The Company has not bought back any of its securities during the period under review;
- The Company has not issued any bonus share during the period under review;
- The Company has not issued any sweat equity shares during the period under review;
- The Company has not issued equity shares with differential rights as to dividend, voting or otherwise;
- The provisions of Section 125 of the Companies Act, 2013 are not applicable to the Company and therefore, the Company is not liable to transfer amount of dividend lying in the unpaid dividend account to Investor Education and Protection Fund (IEPF); and
- There was no revision in the financial statements of the Company.

9. ISSUE OF EMPLOYEE STOCK OPTIONS

The Company has issued employee stock options to its employees under the CIHL Employee Stock Option Plan, 2018, in the meeting of its Board of Directors, dated August 13, 2018. The detailed disclosure as required under Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014 is annexed herewith as Annexure-I and forms part of this report.

10. PUBLIC DEPOSITS

The Company did not accept any public deposits during the year under review. Therefore, the disclosures as required under the Companies Act, 2013 and the rules framed thereunder are not applicable.

11. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Since, the Company is engaged in the business of Housing Finance, the provisions of Section 186 (except to the extent applicable) of the Companies Act, 2013 are not applicable.

12. STATUTORY AUDITORS

Pursuant to Section 139 of the Companies Act, 2013, M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Regn. No.:- 117366W/W100018), were appointed as the Statutory Auditors of the Company at the 1st (first) Annual General Meeting ("AGM") of the Company from the conclusion of the 1st AGM till the conclusion of 6th (sixth) AGM.

The Auditor's Report submitted by M/s Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of the Company, for the period under review, does not contain any qualification, reservation, adverse remark or disclaimer.

13. COST RECORDS

The provisions of the Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, are not applicable on the Company, for the period under review.

14. SECRETARIAL AUDIT

The provision of the Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not applicable on the Company, for the period under review.

15. INTERNAL AUDIT & INTERNAL FINANCIAL CONTROLS

The provisions of Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, are not applicable on the Company for the period under review.

Further, your Company has an adequate internal controls system, which is commensurate with the size and nature of its business. The primary objective of the internal control system is to ensure that the operations are being run effectively and efficiently to prevent any revenue leakage, that all its assets are safeguarded and protected.

16. COMMITTEES OF THE BOARD

Your Company has the following Committees of the Board:

i) Management Committee

Mr. Vineet Kumar Saxena	:	Chairman
Mr. Amit Sahai Kulshreshtha	:	Member

ii) Asset-Liability Committee

Mr. Vineet Kumar Saxena	:	Chairman
Mr. Chetan Bafna	:	Member
Mr. Prince Gupta	:	Member

17. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of financial year of the Company to which these financial statements related and the date of this report.

18. DETAILS OF HOLDING, SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANY(IES)

The holding company of the Company is Capital India Finance Limited (formerly known as Bhilwara Tex-Fin Limited).

Further, the Company does not have any Subsidiary/Joint Venture/Associate Company pursuant to Section 2(6) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

19. MEETINGS

i) BOARD MEETING

During the period under review, 8 (eight) Board meetings were held and the intervening gap between the meetings were within the period prescribed under the Companies Act, 2013.

The Board Meeting held during the Financial Year 2018-19:

S. No.	Date of Meeting	Total no. of Directors on the date of meeting	No. of Director present at the meeting
1.	April 23, 2018	3	3
2.	July 25, 2018	3	3
3.	August 13, 2018	3	3
4.	September 1, 2018	3	3
5.	December 26, 2018	3	2
6.	January 22, 2019	3	2
7.	February 11, 2019	3	3
8.	March 19, 2019	3	3

The attendance of the Directors in the Board meetings, during the period under review, is as follows:

S. No.	Name of Director	No. of Board Meetings Attended
1	Mr. Keshav Porwal	7/8
2	Mr. Amit Sahai Kulshreshtha	8/8
3	Mr. Vineet Kumar Saxena	7/8

ii) COMMITTEES OF THE BOARD

During the period under review, 1 (one) meeting of the Management Committee of the Board was held on June 20, 2018, wherein all the members of the Committee were present.

There was no meeting of Asset-Liability Committee held during the period under review.

iii) GENERAL MEETINGS

During the period under review, 2 (two) extra-ordinary general meetings of the shareholders of the Company were held on August 8, 2018 and January 21, 2019 and the annual general meeting of the shareholders of the Company was held on April 30, 2018.

20. EXTRACT OF ANNUAL RETURN

The extract of Annual Return as provided under sub-section (3) of section 92 of the Companies Act, 2013 ('the Act') read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in prescribed form MGT-9 for the Financial Year 2018-19 has been enclosed as Annexure "II" to this Report.

The extract of the annual return for the period under review, can be accessed on the website of the Company at www.capitalindiahomeloans.com.

21. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of every contract or arrangement entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 is disclosed in Form No. AOC-2 as annexed to this report as Annexure "III".

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

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A.	CONSERVATION OF ENERGY	
1.	The steps taken or impact on conservation of energy	Nil
2.	During the year under review, measures initiated/ adopted for conservation of energy.	Nil
3.	The capital investment on energy conservation equipment	Nil
B.	TECHNOLOGY ABSORPTION	
1.	Efforts made towards technology absorption	Nil
2.	Benefits derived like product improvement, cost reduction, product development or import substitution	Nil
3.	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- a. Details of technology imported; b. Year of import; c. Whether the technology been fully absorbed; d. If not fully absorbed, areas where absorption has not taken place and the reasons thereof.	Nil
4.	Expenditure incurred on Research and Development.	Nil
C.	FOREIGN EXCHANGE EARNINGS AND OUTGO	
	a. Foreign Exchange earnings	Nil
	b. Foreign Exchange outgo	Nil

23. RISK MANAGEMENT POLICY

In today's economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks i.e., competition, legal changes, change in Government policies, availability of finance, manpower as identified by the Company are systematically addressed through mitigating actions on a continuing basis.

24. DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to the notification no. G.S.R. 839(E) dated July 5, 2017 issued by Ministry of Corporate Affairs, the Company is not required to appoint Independent Director(s) on the Board of the Company.

25. AUDIT COMMITTEE

Pursuant to the notification no. G.S.R. 839(E) dated July 5, 2017 read with notification no. G.S.R. 880(E) dated July 13, 2017, issued by Ministry of Corporate Affairs, the Company is not required to constitute the audit committee of the board of directors.

26. NOMINATION AND REMUNERATION COMMITTEE

Pursuant to the notification no. G.S.R. 839(E) dated July 5, 2017 read with notification no. G.S.R. 880(E) dated July 13, 2017, issued by Ministry of Corporate Affairs, the Company is not required to constitute the nomination and remuneration committee of the board of directors.

27. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The provisions of Section 135 of Companies Act, 2013 and rules made thereunder do not apply to the Company for the period under review.

28. ESTABLISHMENT OF VIGIL MECHANISM

The Company has established a vigil mechanism known as the 'Whistle Blower Policy' for its employees, to report instances of unethical behaviour, actual or suspected, fraud or violation of the Company's Code of Conduct. The aim of the policy is to provide adequate safeguards against victimization of Whistle Blower who avails the mechanism and also provides direct access to the Managing Director of the Company in exceptional cases.

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees willing to raise a concern about serious irregularities within the Company.

During the Financial Year 2018-19, no such complaint of unethical or improper activity has been received by the Company.

29. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

There has been no order passed by any authority which impact the going concern status and Company's operations in future.

Further, no penalties have been levied by the NHB/any other regulators during the period under review.

30. PERFORMANCE EVALUATION

In accordance with the provisions of the Companies Act, 2013, the Board has carried out the evaluation of Board as whole, its Committees and each Director's performance without the presence of the Director being evaluated.

It includes circulation of evaluation forms separately for evaluation of the Board, its Committees and Directors of the Company.

31. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE.

The Company has framed a Policy regarding Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in accordance with the applicable laws for all employees of the Company to *inter alia* ensure that the employees are not subject to any form of sexual harassment and to constitute the Internal Complaints Committee. Your Company is fully committed to protect the rights of any women, of any age, whether employed or not, who alleges to have been subjected to any act of sexual harassment within the Company's premises. Your Company provides a safe and healthy work environment.

The Company has constituted an Internal Complaints Committee to deal with the cases reported under the Policy regarding Prevention, Prohibition and Redressal of Sexual Harassment at Workplace.

However, there were no cases of sexual harassment reported, during the year ended on March 31, 2019.

32. NHB DIRECTIONS

The Company complies with all the requirements prescribed by NHB, from time to time, as applicable to it.

33. FRAUD REPORTING

There was no fraud reported by the Auditors of the Company under Section 143(12) of the Companies Act, 2013, to the Board of Directors during the period under review.

34. DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, in the preparation of the Financial Statements for the financial year ended on March 31, 2019 and state:

- a. that in the preparation of annual accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to the material departures;
- b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2019 and of the profit and loss of the Company for the financial year ended March 31, 2019;
- c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud or other irregularities;
- d. that the Directors have prepared the annual accounts on a going concern basis;
- e. that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. there is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Your Company has in place adequate internal financial controls with reference to the Financial Statements. During the year, such controls were tested and no reportable material weakness(es) in the designs or operations were observed.

Capital India Home Loans Limited

35. STATEMENT ON COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS

Your Company have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

36. ACKNOWLEDGMENT

The Board places on record its appreciation for the valuable support and co-operation for the various Govt. agencies, banks, customers, suppliers, client, and shareholders.

Your Directors also wish to place on record their appreciation for the valuable services rendered and the commitment displayed by the employees of the Company and look forward to their continued support in the future as well.

For and on behalf of the Board
Capital India Home Loans Limited

Amit Sahai Kulshreshtha

Name: Amit Sahai Kulshreshtha
Designation: Managing Director

DIN: 07869849
Address: B/3, Prathamesh Co Op Housing
Society Twin Tower Lane, off V S
Road, Bombay Dyeing Compound,
Mumbai – 400025, Maharashtra



Vineet Kumar Saxena
Chief Executive Officer & Whole - time
Director
07710277
K-904, Greenwoods, Chakala,
Andheri Kurla Road, Andheri East
Mumbai- 400093, Maharashtra

DISCLOSURE ON THE EMPLOYEE STOCK OPTIONS SCHEME
(Pursuant to Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014)

Sr. No.	Particulars	Details															
1.	Options granted	82,75,000															
2.	Options vested	Nil															
3.	Options exercised	Nil															
4.	The total number of shares arising as a result of exercise of option	Nil															
5.	Options lapsed	Nil															
6.	The exercise price	Rs. 10/- each															
7.	Variation of terms of options	Nil															
8.	Money realized by exercise of options	Nil															
9.	Total number of options in force	82,75,000															
10.	Employee wise details of options granted to																
	a) Key managerial personnel;	<table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Name</th> <th>No. of Options granted</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Amit Sahai Kulshreshtha</td> <td>3,000,000</td> </tr> <tr> <td>2.</td> <td>Vineet Kumar Saxena</td> <td>3,500,000</td> </tr> <tr> <td>3.</td> <td>Neeraj Toshniwal</td> <td>150,000</td> </tr> <tr> <td>4.</td> <td>Rachit Malhotra</td> <td>100,000</td> </tr> </tbody> </table>	Sr. No.	Name	No. of Options granted	1.	Amit Sahai Kulshreshtha	3,000,000	2.	Vineet Kumar Saxena	3,500,000	3.	Neeraj Toshniwal	150,000	4.	Rachit Malhotra	100,000
Sr. No.	Name	No. of Options granted															
1.	Amit Sahai Kulshreshtha	3,000,000															
2.	Vineet Kumar Saxena	3,500,000															
3.	Neeraj Toshniwal	150,000															
4.	Rachit Malhotra	100,000															
	b) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year; and	Nil															
	c) Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding	<table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Name</th> <th>No. of Options granted</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Amit Sahai Kulshreshtha</td> <td>3,000,000</td> </tr> </tbody> </table>	Sr. No.	Name	No. of Options granted	1.	Amit Sahai Kulshreshtha	3,000,000									
Sr. No.	Name	No. of Options granted															
1.	Amit Sahai Kulshreshtha	3,000,000															

Capital India Home Loans Limited

outstanding warrants and conversions) of the company at the time of grant	2.	Vineet Kumar Saxena	3,500,000
	3.	Neeraj Toshniwal	150,000
	4.	Radhakrishna Amin	400,000
	5.	Chetan Bafna	400,000
	6.	Deepak Vaswan	400,000

For and on behalf of the Board
Capital India Home Loans Limited

Amit Sahai Kulshreshtha

Name: Amit Sahai Kulshreshtha
Designation: Managing Director

DIN: 07869849

Address: B/3, Prathamesh Co Op Housing
Society Twin Tower Lane, off V S
Road, Bombay Dyeing Compound,
Mumbai – 400025, Maharashtra



Vineet Kumar Saxena
Chief Executive Officer &
Whole-time Director
07710277
K-904, Greenwoods, Chakala,
Andheri Kurla Road, Andheri East
Mumbai- 400093, Maharashtra

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on Financial Year ended on 31.03.2019

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U65990DL2017PLC322041
2.	Registration Date	August 11, 2017
3.	Name of the Company	Capital India Home Loans Limited
4.	Category/Sub-category of the Company	Company limited by shares
5.	Address of the Registered office& contact details	2nd Floor, DLF Centre Sansad Marg New Delhi 110001 Phone: 011-49546000
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Fintech Private Limited (formerly known as KCPL Advisory Services Private Limited) Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana - 500032 Contact No: +91 040 - 67162222 Fax No: +91 40 23001153 E-mail: venu.sp@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	%to total turnover of the company
1.	Carry on the business of a Housing Finance Institution without accepting public deposits	64920	0.58%*
<p>* The major interest income earned during the year ended on March 31, 2019 was in the nature of interest income earned from Fixed Deposits (FD) made by the Company which were for parking the funds of the Company before receiving the CoR from NHB.</p> <p>* Further, the Company has earned Fee Income from advisory services and Other operating revenue during the year ended March 31, 2019.</p>			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY(IES)

S. No.	Name of the Company	Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Capital India Finance Limited (formerly known as Bhilwara Tex-Fin Limited)	2 nd Floor, DLF Centre, Sansad Marg, New Delhi - 110001	L74899DL1994PLC128577	Holding	100%	2(46)

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

i) Category-wise Share Holding¹

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 01, 2018]				No. of Shares held at the end of the year [As on March 31, 2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s).	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	1,50,00,000	1,50,00,000	100	4,00,00,000	-	4,00,00,000	100	166.67
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
SUB Total (A) (1):	-	1,50,00,000	1,50,00,000	100	4,00,00,000	-	4,00,00,000	100	166.67
(2) Foreign									

¹ The Company has 7 members for complying with the provisions of the Companies Act, 2013. However, Capital India Finance Limited (formerly known as Bhilwara Tex-Fin Limited) is the beneficial owner for those individual members as listed in the Register of Members.

Capital India Home Loans Limited

a) NRI's Individual	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB Total (A) (2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	-	1,50,00,000	1,50,00,000	100	4,00,00,000	-	4,00,00,000	100	166.67
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1): -	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals/HUF	-	-	-	-	-	-	-	-	-
i) Individual/HUF shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	-	-	-	-	-	-

Capital India Home Loans Limited

ii) Individual/HUF shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non-Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2): -	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	1,50,00,000	1,50,00,000	100	4,00,00,000	-	4,00,00,000	100	166.67

ii) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (April 01, 2018)			Shareholding at the end of the year (March 31, 2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Capital India Finance Limited	1,50,00,000	100	Nil	4,00,00,000	100	Nil	166.67

Capital India Home Loans Limited

(formerly known as Bhilwara Tex-Fin Limited)*								
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*The Company has 7 members for complying with the provisions of the Companies Act, 2013. However, Capital India Finance Limited (formerly known as Bhilwara Tex-Fin Limited) is the beneficial owner for those individual members as listed in the Register of Members.

iii) Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total share of the Company	No. of shares	% of total share of the Company
1.	At the beginning of the year	1,50,00,000	100	1,50,00,000	
2.	Addition: Allotment under the right issue dated February 11, 2019	2,50,00,000	-	4,00,00,000	-
3.	At the End of the year (or on the date of separation, if separated during the year)	-		4,00,00,000	100

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

Sl. No.	For each of Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total share of the Company	No. of shares	% of total share of the Company
1.	At the beginning of the year	No Change			
2.	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.).				
3.	At the End of the year (or on the date of separation, if separated during the year)				

v) Shareholding of Directors and Key Managerial Personnel:

vi)	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

Capital India Home Loans Limited

1	At the beginning of the year	No Director/KMP holds any shares of the Company
2	Date wise Increase / Decrease in Shareholding during the year:	
3	At the end of the year	

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Amit Sahai Kulshreshtha	Vineet Kumar Saxena	
1	Gross salary	Nil	1,19,43,171	1,19,43,171
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-		-	
2	Stock Option		-	-
3	Sweat Equity	-	-	
4	Commission -as % of profit	-	-	

	-others, specify		
5	Others, (Company contribution towards PF)	5,25,000	5,25,000
	Total (A)	1,24,68,171	1,24,68,171
	Ceiling as per the Act	The remuneration paid to the Chief Executive Officer & Whole-time Director is as per the provisions of the Companies Act, 2013.	

B. Remuneration to other directors

S. No.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors	Nil	
	Fee for attending board committee meetings		-
	Commission		-
	Others, please specify		-
	Total (1)	-	-
2	Other Non-Executive Directors	Keshav Porwal	
	Fee for attending board committee meetings	Nil	-
	Commission		-
	Total (2)	-	-
	Total (B)= (1+2)	-	-
	Total Managerial Remuneration	-	-
	Overall Ceiling as per the Act	-	-

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CS	CFO	
1	Gross salary	Nil	Nil	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	-as % of profit			
	others, specify...			

5	Others, please specify			
	Total			

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Not Applicable.

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board
Capital India Home Loans Limited

Amit Sahai Kulshreshtha

Name: Amit Sahai Kulshreshtha
Designation: Managing Director

DIN: 07869849
Address: B/3, Prathamesh Co Op Housing Society Twin Tower Lane, off V S Road, Bombay Dyeing Compound, Mumbai – 400025, Maharashtra



Vineet Kumar Saxena
Chief Executive Officer & Whole - time Director
07710277
K-904, Greenwoods, Chakala, Andheri Kurla Road, Andheri East Mumbai- 400093, Maharashtra

FORM NO. AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of material contracts or arrangements or transactions at Arm's length basis.

Sl. No.	Particulars		
a)	Name (s) of the related party & nature of relationship	Capital India Finance Limited – Holding Company	Mr. Vineet Kumar Saxena – Whole Time Director and KMP
b)	Nature of contracts/arrangements/ transaction	Issue of Equity Shares (including nominees) – Rs.250,000,000 Reimbursement of Expenses – Rs.8,952,732	Remuneration – Rs. 12,468,171
c)	Duration of the contracts/arrangements/ transaction	Issue of Equity Shares – One time Reimbursement of Expenses – Yearly	Ongoing Basis
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	As mentioned above	As mentioned above
e)	Date of approval by the Board	N.A.	N.A.
f)	Amount paid as advances, if any	N.A.	N.A.

3. Details of contracts or arrangements or transactions not in the ordinary course of business.

Sl. No.	Particulars	Details

Capital India Home Loans Limited

a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

For and on behalf of the Board
Capital India Home Loans Limited

Amit Sahai Kulshreshtha

Name: Amit Sahai Kulshreshtha
Designation: Managing Director
DIN: 07869849
Address: B/3, Prathamesh Co Op Housing
Society Twin Tower Lane, off V S
Road, Bombay Dyeing Compound,
Mumbai – 400025, Maharashtra



Vineet Kumar Saxena
Chief Executive Officer & Whole – time Director
07710277
K-904, Greenwoods,
Chakala, Andheri Kurla Road,
Andheri East, Mumbai- 400093,
Maharashtra

Capital India Home Loans Limited

Financial Statements
together with Auditors' Report
for the year ended 31 March 2019

Capital India Home Loans Limited

Financial statements together with Auditors' Report
for the year ended 31 March 2019

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Notes to the financial statements

INDEPENDENT AUDITORS' REPORT

**To the Members of Capital India Home Loans Limited
Report on the Audit of the Financial Statements**

Opinion

We have audited the accompanying financial statements of **Capital India Home Loans Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

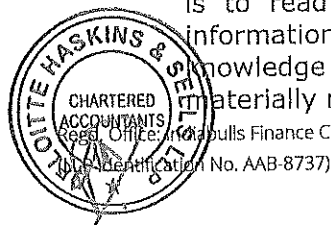
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India and guidelines issued by the National Housing Board from time to time, of the state of affairs of the Company as at 31st March 2019, and its loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditors' Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

- The Company's Board of Directors is responsible for preparation of the other information. The other information comprises the Directors' Report including annexures to Directors' Report, but does not include the financial statements and our auditors' report thereon.
- Our opinion on the financial statements does not cover the other information and accordingly, we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.



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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards and other accounting principles generally accepted in India and the guidelines issued by the National Housing Bank from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements


1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable.



- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended,
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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




Rukshad N. Daruvala
(Partner)
(Membership No. 111188)

MUMBAI, 26 April, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Capital India Home Loans Limited** ("the Company") as of 31st March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting


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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting are operating effectively as at 31st March, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting Issued by the Institute of Chartered Accountants of India.

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




Rukshad N. Daruvala
(Partner)
(Membership No. 111188)

MUMBAI, 26 April, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i) In respect of the Company's fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) Some of the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause 3(i)(c) of the Companies (Auditor's Report) Order, 2016 ("the CARO 2016") is not applicable.
- ii) The Company does not have any inventory and hence reporting under clause 3(ii) of the CARO 2016 is not applicable.
- iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act").
- iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause 3(iv) of the CARO 2016 is not applicable.
- v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder are not applicable.
- vi) Having regard to the nature of the Company's business / activities, reporting under clause 3(vi) of the CARO 2016 is not applicable.
- vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Good and Service Tax, cess and other material statutory dues applicable to the appropriate authorities.
We are informed that the provisions of ESIC and Custom Duty are not applicable to the Company.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Good and Service Tax, cess and other material statutory dues in arrears as on 31st March, 2019 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax and Good and Service Tax as on 31st March, 2019 on account of disputes.




**Deloitte
Haskins & Sells LLP**

- viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of CARO 2016 is not applicable.
- ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the CARO 2016 is not applicable.
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the CARO 2016 is not applicable.
- xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of the CARO 2016 is not applicable.
- xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with him and hence provisions of section 192 of the Act are not applicable.
- xvi) The Company is not required to be registered under section 45 - IA of the Reserve Bank of India Act, 1934.

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




Rukshad N. Daruvala
(Partner)
(Membership No. 111188)

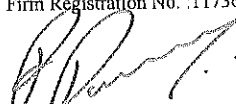
MUMBAI, 26 April, 2019

Capital India Home Loans Limited
Balance sheet as at 31 March 2019
(All figures are in rupees, except otherwise stated)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	400,000,000	150,000,000
(b) Reserves and surplus	4	(44,249,065)	(1,471,308)
		355,750,935	148,528,692
(2) Non-current liabilities			
(a) Other long-term liabilities	5	45,803	-
(b) Long-term provisions	6	1,188,126	-
		1,233,929	-
(3) Current liabilities			
(a) Trade Payables	30		
(i) total outstanding dues of micro enterprises and small enterprises		28,180	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		3,368,267	4,060,569
(b) Other current liabilities	7	3,447,488	73,296
(c) Short term provisions	8	6,534,565	-
		13,378,500	4,133,865
Total		370,363,364	152,662,557
II. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment			
(i) Tangible assets (net)	9	19,228,715	-
(ii) Intangible assets (net)	9	13,843	-
(iii) Capital work-in-progress		11,773,690	-
(b) Deferred tax assets (net)	10	1,654,800	510,252
(c) Long-term loans and advances	11	56,840,172	336,964
		89,511,220	847,216
(2) Current assets			
(a) Current investments	12	185,052,870	-
(b) Cash and cash equivalents	13	90,576,095	150,959,275
(c) Short-term loans and advances	14	4,668,625	311,832
(d) Other current assets	15	554,554	544,234
		280,852,144	151,815,341
Total		370,363,364	152,662,557

Notes 1 to 33 forms part of the Financial Statements

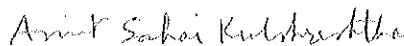
In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. : 117366W/W -100018



Rukshad N. Daruvala
Partner
Membership No. : 111188





Place: Mumbai
Date: 26 April 2019

For and on behalf of the board
CAPITAL INDIA HOME LOANS LIMITED


Amit Sahai Kulshreshtha
Managing Director
DIN : 07869849


Vineet Kumar Saxena
CEO & Whole Time Director
DIN : 07710277


Neeraj Toshniwal
Chief Financial Officer


Rachit Malhotra
Company Secretary



Place: New Delhi
Date: 26 April 2019

Place: New Delhi
Date: 26 April 2019

Capital India Home Loans Limited
Cash Flow Statement for the year ended 31 March 2019
(All figures are in rupees, except otherwise stated)


Particulars	Year ended 31 March 2019	Period ended 31 March 2018
A) CASH FROM OPERATING ACTIVITIES:		
Net loss before tax and extraordinary items	(43,922,305)	(1,981,560)
Adjustments for :		
Depreciation and amortisation expenses	1,827,378	-
Provision for employee benefits	7,601,691	-
Rent equalisation	142,183	-
Unrealised gain on mutual funds	(2,194,149)	-
Provision for standard assets	121,000	-
Operating profit / (loss) before working capital changes	(36,424,202)	(1,981,560)
Adjustments for changes in working capital :		
Loans given during the year	(44,419,826)	-
Increase in other long-term and short-term loans and advances	(13,948,642)	(307,578)
Increase in other current assets	(10,320)	(544,234)
Increase in trade payables and other long-term & current liabilities	1,206,999	4,133,865
Cash (used in) / generated from operations	(93,595,991)	1,300,493
Income taxes paid	(1,760,160)	(341,218)
Net cash (used in) / generated from operating activities	(95,356,151)	959,275
B) CASH FROM INVESTING ACTIVITIES:		
Payment made towards purchase of property, plant and equipment (including capital work in progress)	(32,317,418)	-
Proceeds from sale of property, plant and equipment	149,110	-
Movement in current investment	(182,858,721)	-
Net cash used in investing activities (B)	(215,027,029)	-
C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of equity shares	250,000,000	150,000,000
Net cash generated from financing activities	250,000,000	150,000,000
D) Net (decrease) / increase in cash and cash equivalents (A+B+C)	(60,383,180)	150,959,275
E) Cash and cash equivalents as at the beginning of the year / period	150,959,275	-
F) Cash and cash equivalents as at the end of the year / period	90,576,095	150,959,275

Cash and cash equivalents comprises:

Particulars	As at 31 March 2019	As at 31 March 2018
Balance with banks:		
in current accounts	24,850,201	2,959,275
in deposit accounts (original maturity less than 3 months)	20,000,000	48,000,000
in deposit accounts (original maturity of more than 3 months)	45,725,894	100,000,000
	90,576,095	150,959,275

Notes 1 to 33 forms part of the Financial Statements

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. : 117366W/W -100018


Rulshad N. Daruvala
Partner
Membership No. : 111188





Place: Mumbai
Date: 26 April 2019

For and on behalf of the board
CAPITAL INDIA HOME LOANS LIMITED


Amit Sahai Kulshreshtha
Managing Director
DIN : 07869849


Neeraj Toshniwal
Chief Financial Officer


Vineet Kumar Saxena
CEO & Whole Time Director
DIN : 07710277


Rachit Malhotra
Company Secretary



Place: New Delhi
Date: 26 April 2019

Place: New Delhi
Date: 26 April 2019

1 Background

Capital India Home Loans Limited ('the Company') [CIN No. U65990DL2017PLC322041] was incorporated on 11 August 2017 as a unlisted public limited company under the Companies Act, 2013 ('the Act'). The Company is a wholly owned subsidiary of Capital India Finance Limited and formed with the main objective of carrying out business of housing finance.

During the current year, the National Housing Bank ("NHB") has granted a Certificate of Registration ("COR") under section 29A of the National Housing Bank Act, 1987 to the Company vide their letter dated 11 February 2019 to commence / carry on business of a Housing Finance Company without accepting public deposits.

The Company is required to comply with provisions of the National Housing Bank Act, 1987, the Housing Finance Companies (NHB) Directions, 2010 and other guidelines/ instructions / circulars ("NHB directions") issued by the National Housing Bank from time to time.

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements are prepared and presented in accordance with Generally Accepted Accounting Principles in India ("Indian GAAP") under the historical cost convention, on the accrual basis of accounting, unless otherwise stated, and comply in all material respects with the Accounting Standards ("AS") as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2006 and the NHB directions.

2.2 Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Operating cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.4 Revenue recognition

Revenue is recognised on accrual basis, when no significant uncertainty as to determination or realisation exists:

- a) Interest income from loan is recognised on an accrual basis. Interest income on Non-performing assets ('NPAs') is recognised only when it is actually realised as per NHB directions. Additional interest /overdue charges are recognised on receipt basis.
- b) Processing fees in respect of loans given is recognised on log-in / disbursement as per the terms of the contract.
- c) Advisory fees is recognised as income on an accrual basis on completion of services as per the terms of the contracts.
- d) Dividend income from corporate bodies is accounted when such dividend has been declared and the Company's right to receive payment is established. Dividend income from units of Mutual Fund(s) held by the Company are recognised on cash basis as per the NHB directions.
- e) Gain / loss on sale of units in mutual funds is recognised on trade date basis.
- f) Interest income on fixed deposit is recognised on time proportionate basis



2.5 Tangible and intangible assets:

(a) Tangible Assets:

Tangible assets are carried at cost of acquisition or construction less accumulated depreciation and / or accumulated impairment loss, if any. The cost of an item of tangible asset comprises its purchase price and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates. Tangible assets under construction are disclosed as capital work-in-progress.

(b) Acquired intangible assets:

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

(c) Leasehold improvements:

Leasehold improvement includes all expenditure incurred on the leasehold premises that have future economic benefits. Leasehold improvements are written off over the period of lease.

2.6 Depreciation and Amortisation:

Depreciation / amortisation is provided over the useful life of the assets, pro rata for the period of use, on a straight-line method. The useful life estimates prescribed in Part C of Schedule II to the Companies Act, 2013 have been considered as useful life for tangible assets except for Vehicles, in whose case the life of the assets has been assessed as per the estimates of the Management. Acquired intangible assets are amortised over a period as per management estimates of their useful life. Pursuant to this policy, the useful life estimates in respect of the following assets are as follows:

	Estimated useful life
Tangible assets	
Computers & printers	3 Years
Furniture & fixtures	10 Years
Office equipments	5 Years
Vehicles	5 Years
Acquired intangible assets	
Computer software	3 Years

Leasehold improvements are amortised over the primary life of the lease.

Depreciation is provided on a pro-rata basis i.e. from the month in which asset is ready for use.

Individual assets costing less than or equals to Rs. 5,000 are depreciated in full, in the year of purchase. Depreciation on assets sold during the year is recognised on a pro-rata basis in the statement of profit and loss up to the month prior to the month in which the assets have been disposed off.

Gains / losses on disposal of assets

Losses arising from retirement or gains / losses arising from disposal of tangible and intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss.

2.7 Impairment of Assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.



2.8 Leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Amount due under the operating leases are charged to the Statement of Profit and Loss, on a straight - line basis over the lease term in accordance with AS-19 'Leases' as prescribed by Companies (Accounting Standards) Rules, 2006. Initial direct costs incurred specifically for operating leases are recognised as expense in the year in which they are incurred.

2.9 Employee benefits

Employee benefits include provident fund, gratuity fund and compensated absences.

Defined contribution plans :

The Company's contribution to provident fund is considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plans :

a) The Company accounts for its defined benefit obligations for non-funded gratuity benefits on the basis of an independent actuarial valuation based on the projected unit credit method carried out as at the year end.

b) The employees of the Company are entitled to compensated absences and leave encashment as per the policy of the Company, the liability in respect of which is provided, on the basis of an independent actuarial valuation based on the projected unit credit method carried out as at the year end.

In respect of the Company's defined benefit plan, actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised in the Statement of Profit and Loss as income or expense in the period in which they are occurred. Past service cost is recognised immediately to the extent the benefits are already vested and otherwise is amortised on straight line basis over the average period until the benefits become vested.

2.10 Employee share based payment

The Company has constituted an Employee Stock Option Plan - 2018. Employee Stock Options granted are accounted under the 'Intrinsic Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

2.11 Foreign currency transactions

Foreign exchange transactions are recorded the spot rate on the date of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss for the period.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognised in the statement of profit and loss.

Non monetary assets and liabilities are carried at historical cost using exchange rates as on the date of the respective transactions.

2.12 Taxation

Income tax expense comprises current tax including minimum alternate tax ('MAT') (i.e. amount of tax for the period determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961, Income Computation and Disclosure Standards and other applicable tax laws and Deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).

MAT paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future years and is recognised as tax credit in statement of profit and loss.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised to the extent there is virtual certainty of realization of such assets. Deferred tax assets are reviewed as 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 realised.



2.13 Investments:

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non current investments.

Current investments are accounted for and valued as per Accounting Standard (AS) 13 - 'Accounting for Investments' and in accordance with the NHB Directions, are stated at the lower of cost and fair value, by category of investments. Unquoted current investments in units of Mutual Funds are valued as per Net Asset Value of the Plan as per NHB Directions.

Non current investments are accounted for and valued as per Accounting Standard (AS) 13 - 'Accounting for Investments' are stated at cost except where there is a diminution other than temporary, for which provision is made.

2.14 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.15 Earnings per share

The basic earnings per share is computed by dividing the net profit / loss after tax attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. For the purpose of calculating diluted earnings per share, the net profit 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.

2.16 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.17 Cash flow statement

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

2.18 Segment reporting

The Company identifies segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

2.19 Goods & Services tax

GST input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.



Capital India Home Loans Limited
Notes to the financial statements for the year ended 31 March 2019
(All figures are in rupees, except otherwise stated)

3 Share capital

	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares of Rs.10 each with voting rights	150,000,000	1,500,000,000	15,000,000	150,000,000
Issued, subscribed and fully paid up				
Equity shares of Rs. 10 each with voting rights	40,000,000	400,000,000	15,000,000	150,000,000
Total issued, subscribed and fully paid up share capital	40,000,000	400,000,000	15,000,000	150,000,000

a. Reconciliation of the shares and amount outstanding at the beginning and at the end of the reporting year / period:

	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
At the beginning of the year / period	15,000,000	150,000,000	-	-
Add : Allotment during the year / period	25,000,000	250,000,000	15,000,000	150,000,000
Outstanding at the end of the year / period	40,000,000	400,000,000	15,000,000	150,000,000

b. Terms and rights attached to fully paid up equity 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 is 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 buy back 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.

c. Shares held by holding company

	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
<u>Equity shares of Rs. 10 each</u>				
Capital India Finance Limited and its nominees	40,000,000	400,000,000	15,000,000	150,000,000
	40,000,000	400,000,000	15,000,000	150,000,000

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

	As at 31 March 2019		As at 31 March 2018	
	Number	%	Number	%
<u>Equity shares of Rs. 10 each</u>				
Capital India Finance Limited and its nominees	40,000,000	100%	15,000,000	100%
Total	40,000,000	100%	15,000,000	100%



Capital India Home Loans Limited
Notes to the financial statements for the year ended 31 March 2019
(All figures are in rupees, except otherwise stated)

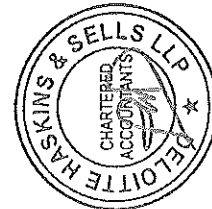
	As at 31 March 2019	As at 31 March 2018
4 Reserves and surplus		
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	(1,471,308)	-
Add : Loss for the year / period	(42,777,757)	(1,471,308)
Net Surplus in the statement of profit and loss	(44,249,065)	(1,471,308)
Total reserves and surplus	(44,249,065)	(1,471,308)
Foot note:		
In terms of Section 29C of the National Housing Bank ("NHB") Act, 1987, the Company is required to transfer at least 20% of its Profit after tax to a Reserve Fund before any dividend is declared. Transfer to a Reserve Fund in terms of section 36(1)(viii) of the Income Tax Act, 1961 is also considered as an eligible transfer as transfer to Special Reserve under Section 29C of the National Housing Bank ("NHB") Act, 1987. However, during the current and previous year, the Company has not made any profits and hence no amount was transferred to Special Reserve as per section 29C of the NHB Act, 1987.		
5 Other long-term liabilities		
Income received in advance	45,803	-
	45,803	-
6 Long-term provisions		
Provision for employee benefits	1,070,426	-
Provision for standard assets	117,700	-
	1,188,126	-
7 Other current liabilities		
Payables for purchase of property, plant and equipment	1,406,691	-
Statutory dues payable	1,894,451	73,296
Rent equalisation	142,183	-
Income received in advance	4,163	-
	3,447,488	73,296
8 Short-term provisions		
Provision for employee benefits	6,531,265	-
Provision for standard assets	3,300	-
	6,534,565	-



Capital India Home Loans Limited
Notes to the financial statements for the year ended 31 March 2019
(All figures are in rupees, except otherwise stated)

9 Property, plant and equipment

Particulars	Gross block (at cost)				Accumulated depreciation / amortization			Net block	
	As at 1 April 2018	Additions during the year	Sales during the year	As at 31 March 2019	As at 1 April 2018	Depreciation for the year	Adjustments during the year	As at 31 March 2019	As at 31 March 2019
Tangible assets									
Leasehold improvements	-	12,798,979	-	12,798,979	-	490,640	-	490,640	12,308,339
Office equipment	-	2,389,216	-	2,389,216	-	304,344	-	304,344	2,084,872
Furniture & fixtures	-	218,925	-	218,925	-	4,079	-	4,079	214,846
Computer	-	2,189,364	161,066	2,028,298	-	418,248	11,956	406,292	1,622,006
Vehicles	-	3,605,776	-	3,605,776	-	607,124	-	607,124	2,998,652
Total tangible assets	-	21,202,260	161,066	21,041,194	-	1,824,435	11,956	1,812,479	19,228,715
Intangible assets									
Computer softwares	-	16,786	-	16,786	-	2,943	-	2,943	13,843
Total intangible assets	-	16,786	-	16,786	-	2,943	-	2,943	13,843
Grand total	-	21,219,046	161,066	21,057,980	-	1,827,378	11,956	1,815,422	19,242,558



Capital India Home Loans Limited
Notes to the financial statements for the year ended 31 March 2019
(All figures are in rupees, except otherwise stated)

	As at 31 March 2019	As at 31 March 2018
10		
Deferred tax asset		
<u>Tax effect of timing difference on account of</u>		
Disallowance under Income Tax Act, 1961:		
- Preliminary expenses written off	231,300	305,392
- On accumulated losses	-	204,860
- On employee benefits	1,976,400	-
- On rent equalisation	37,000	-
- On provision for standard assets	31,500	-
Deferred tax liability comprises of:		
- Depreciation	(50,900)	-
- Timing differences in recognition of income	(570,500)	-
	<u>1,654,800</u>	<u>510,252</u>
11		
Long term loans and advances		
(Secured, considered good)		
Loans given	42,345,818	-
(Unsecured, considered good)		
Loans given	911,817	-
Security deposits	10,754,040	-
Advance income tax (net of provision for tax - Rs. Nil)	2,097,124	336,964
Capital advances	731,373	-
	<u>56,840,172</u>	<u>336,964</u>
12		
Current investments		
<u>Investment in Mutual Fund units (At Net Assets Value)</u>		
269,403 units of Aditya Birla Sun Life Liquid Fund - Growth Direct Plan @ Rs.300.44 per unit	80,938,420	-
365,745 units of ICICI Pru Mutual Fund - Liquid Fund- Direct Plan Growth @ Rs.276.42 per unit	101,097,856	-
11,595 units of ICICI Pru Money Market Fund- Direct Growth @ Rs.260.16 per unit	3,016,594	-
	<u>185,052,870</u>	<u>-</u>
13		
Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
- in current accounts	24,850,201	2,959,275
- in deposits (original maturity less than 3 months)	20,000,000	48,000,000
Other bank balances		
- In deposits with banks	45,725,894	100,000,000
(Original maturity of more than 3 months)		
	<u>90,576,095</u>	<u>150,959,275</u>
14		
Short term loans and advances		
(Secured, considered good)		
Current maturities of loans given	1,136,917	-
(Unsecured, considered good)		
- Current maturities of loans given	25,274	-
- Balance with government authorities	2,442,481	311,832
- Prepaid expenses	958,134	-
- Advance to employees	105,819	-
	<u>4,668,625</u>	<u>311,832</u>
15		
Other current assets		
(Unsecured, considered good)		
Interest accrued but not due	554,554	544,234
	<u>554,554</u>	<u>544,234</u>



Capital India Home Loans Limited
Notes to the financial statements for the year ended 31 March 2019
(All figures are in rupees, except otherwise stated)

	Year ended 31 March 2019	Period ended 31 March 2018
16 Revenue from operations		
Interest income		
- on loans	126,969	-
- on fixed deposits from banks	7,386,397	604,706
- on inter corporate deposits	-	2,764,930
Fee income from		
- Advisory fees	7,500,000	-
- Processing fees	55,034	-
Other operating income	13,000,000	-
	<u>28,068,400</u>	<u>3,369,636</u>
17 Other income		
Income from mutual fund units	3,352,870	-
	<u>3,352,870</u>	<u>-</u>
18 Employee benefit expense		
Salaries, bonus and allowances	42,729,056	3,464,801
Contribution to provident & other funds	2,381,849	-
Staff welfare	310,067	-
	<u>45,420,972</u>	<u>3,464,801</u>
19 Other expenses		
Rent	6,810,225	-
Rates & taxes	12,535,004	1,810,965
Repairs & maintenance - others	1,882,653	-
Office expenses	390,624	-
Electricity charges	302,945	-
Communication expenses	284,786	-
Printing & stationery	485,495	-
Travelling & conveyance	1,096,337	-
Advertisement	209,278	-
Auditors remuneration (Refer foot note below)	970,250	75,400
Legal & professional charges	1,591,975	-
Commission & brokerage expenses	886,292	-
Provisions for standard assets	121,000	-
Miscellaneous expenses	528,361	30
	<u>28,095,225</u>	<u>1,886,395</u>
Foot note:		
Statutory auditor's remuneration		
Statutory audit fees	500,000	20,000
Tax audit	100,000	-
Certification	370,250	55,400
	<u>970,250</u>	<u>75,400</u>
20 Earnings per share		
Net loss attributable to equity shareholders (Rs.)	(42,777,757)	(1,471,308)
Weighted average number of equity shares outstanding during the period	18,356,164	15,000,000
Nominal value of an equity share (Rs.)	10	10
Basic and diluted earnings per share (in Rs.)	(2.33)	(0.10)



Capital India Home Loans Limited
Notes to the financial statements for the year ended 31 March 2019
(All figures are in rupees, except otherwise stated)

21 Employee benefits:

- a) The Company has a defined benefit gratuity plan, under which every employee who has completed atleast five years of service gets a gratuity on departure @15 days of last drawn basic salary for each completed year of service.
The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and amounts recognised in the balance sheet for the gratuity plan.

	31-Mar-19
Statement of profit and loss	
Net employee benefit expense recognised in the employee cost	
Current service cost	607,245
Interest cost on benefit obligation	-
Expected return on plan assets	-
Net actuarial (gain) / loss recognised in the year	-
Past Service Cost	
Transfer In	135,934
Gratuity expense	743,179
Balance sheet	
Benefit asset/ liability	
Present value of defined benefit obligation	743,179
Fair value of plan assets	-
Less: Amount not recognised as asset	-
Plan (asset) / liability	743,179
Changes in the present value of defined benefit obligation are as follows	
Opening defined benefit obligation	-
Current service cost	607,245
Interest cost	-
Past service cost	-
Benefits paid	-
Transfer In	135,934
Actuarial (gains)/ losses on obligation	-
Closing defined benefit obligation	743,179
The principal assumptions used in determining gratuity liability for the company is shown below:	
Discount rate	7.76%
Expected rate of return on assets	NA
Employee turnover	5.00%
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.	10.00%

Notes:

Since Payment of Gratuity Act 1972 became applicable on the Company from the financial year ended 31 March 2019, the Company has not disclosed the comparative information for financial year 2017-18.

- b) The defined benefit obligation with respect to provision for compensated absences as at 31 March 2019 - Rs.858,512/-
- c) The Company has recognised the following amounts in the statement of profit and loss:
- | | 31-Mar-19 |
|----------------------|-----------|
| Compensated absences | 858,512 |
| Provident fund | 1,638,650 |



22 Disclosures on Employee share based payments:

Particulars																														
Employee Stock Option Scheme																														
a)	In the extraordinary general meeting held on 8 August 2018, the shareholders approved the issue of 12,500,000 options under the Scheme titled "CIHL EMPLOYEE STOCK OPTION PLAN 2018" (ESOP SCHEME). The ESOP Scheme allows the issue of options to employees of the Company and its Holding Company (whether in India or abroad). Each option comprises one underlying equity share. As per the ESOP Scheme, the Board grants the options to the employees deemed eligible. The Exercise Price for the Options shall be determined by the Board which shall not be less than the face value of the Shares of the Company as on date of Grant. The options granted vest not earlier than minimum period of 1 (One) year and not later than maximum period of 5 (Five) years from the date of Grant. The Board at its discretion may grant Options specifying Vesting Period ranging from minimum and maximum period as afore-stated. The Exercise Period in respect of Vested Options shall be period as specified in the Grant Letter, which period shall not be more than 5 (Five) years from the date of Vesting of Options. The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period.																													
b)	Employee stock options details as on the balance sheet date are as follows:																													
	<table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">During the year ended 31 March 2019</th> </tr> <tr> <th>Options (Numbers)</th> <th>Weighted average exercise price per option (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Option outstanding at the beginning of the year:</td> <td>-</td> <td>-</td> </tr> <tr> <td>Granted during the year:</td> <td>8,275,000</td> <td>10</td> </tr> <tr> <td>Vested during the year:</td> <td>-</td> <td>-</td> </tr> <tr> <td>Exercised during the year:</td> <td>-</td> <td>-</td> </tr> <tr> <td>Lapsed during the year:</td> <td>-</td> <td>-</td> </tr> <tr> <td>Options outstanding at the end of the year:</td> <td>8,275,000</td> <td>10</td> </tr> <tr> <td>Options available for grant:</td> <td>4,225,000</td> <td>10</td> </tr> <tr> <td>Range of exercise price for options outstanding at the end of the year</td> <td></td> <td>10</td> </tr> </tbody> </table>	Particulars	During the year ended 31 March 2019		Options (Numbers)	Weighted average exercise price per option (Rs.)	Option outstanding at the beginning of the year:	-	-	Granted during the year:	8,275,000	10	Vested during the year:	-	-	Exercised during the year:	-	-	Lapsed during the year:	-	-	Options outstanding at the end of the year:	8,275,000	10	Options available for grant:	4,225,000	10	Range of exercise price for options outstanding at the end of the year		10
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Range of exercise price for options outstanding at the end of the year		10																												
	Weighted average remaining contractual life for options outstanding as at 31 March 2019 1 year and 4 months.																													

Particulars																			
c)	The impact on Earnings per Share if the 'fair value' of the options (on the date of the grant) were considered instead of the 'intrinsic value' is as under:																		
	<table border="1"> <thead> <tr> <th>Particulars</th> <th>For the year ended 31 March 2019</th> </tr> </thead> <tbody> <tr> <td>Loss as reported</td> <td>(42,777,757)</td> </tr> <tr> <td>Add / (Less): stock based employee compensation (intrinsic value)</td> <td>-</td> </tr> <tr> <td>Add / (Less): stock based compensation expenses determined under fair value method for the grants issued (See note (f) below)</td> <td>(2,099,913)</td> </tr> <tr> <td>Net Profit / (Loss) (proforma)</td> <td>(44,877,670)</td> </tr> <tr> <td>Basic earnings per share (as reported)</td> <td>(2.33)</td> </tr> <tr> <td>Basic earnings per share (proforma)</td> <td>(2.44)</td> </tr> <tr> <td>Diluted earnings per share (as reported)</td> <td>(2.33)</td> </tr> <tr> <td>Diluted earnings per share (proforma)</td> <td>(2.29)</td> </tr> </tbody> </table>	Particulars	For the year ended 31 March 2019	Loss as reported	(42,777,757)	Add / (Less): stock based employee compensation (intrinsic value)	-	Add / (Less): stock based compensation expenses determined under fair value method for the grants issued (See note (f) below)	(2,099,913)	Net Profit / (Loss) (proforma)	(44,877,670)	Basic earnings per share (as reported)	(2.33)	Basic earnings per share (proforma)	(2.44)	Diluted earnings per share (as reported)	(2.33)	Diluted earnings per share (proforma)	(2.29)
Particulars	For the year ended 31 March 2019																		
Loss as reported	(42,777,757)																		
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d)	The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:																		
	<table border="1"> <thead> <tr> <th>Assumptions</th> <th>31 March 2019</th> </tr> </thead> <tbody> <tr> <td>Risk Free Interest Rate</td> <td>6.6% to 7.2%</td> </tr> <tr> <td>Expected Life</td> <td>1 year to 4 years</td> </tr> <tr> <td>Expected Annual Volatility of Shares</td> <td>13% to 16.7%</td> </tr> <tr> <td>Expected Dividend Yield</td> <td>0.00%</td> </tr> </tbody> </table>	Assumptions	31 March 2019	Risk Free Interest Rate	6.6% to 7.2%	Expected Life	1 year to 4 years	Expected Annual Volatility of Shares	13% to 16.7%	Expected Dividend Yield	0.00%								
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Expected Dividend Yield	0.00%																		



23 Related party disclosures

Disclosures as required by the Accounting Standard 18 (AS – 18) "Related Party Disclosures" are given below :

- (i) Names of related parties with whom transactions have taken place during the year / period and description of relationship:

Name of the related party	Nature of relationship
Capital India Finance Limited	Holding Company
Sahyog Homes Limited	Enterprises where key management personnel exercise significant influence
Key Management Personnel:	
Mr. Keshav Porwal	Director
Mr. Vineet Kumar Saxena	Whole Time Director and CEO
Mr. Amit Sahai Kulshreshtha	Managing Director

* Related party and their relationships are reported only where the Company has transaction with those parties during the year / previous period

- (ii) Details of related party transactions for the year / period and balances outstanding as at year / period end:

Particulars	Holding Company	Enterprises where key management personnel exercise significant influence	Key Management Personnel
Transactions:			
Interest Income		(1,719,452)	
Reimbursement of Expenses	8,952,732 (4,982,686)		
Issue of Equity Shares (including nominees)	250,000,000 (150,000,000)		
Loan taken from Mr. Keshav Porwal			(50,000)
Loan repaid to Mr. Keshav Porwal			(50,000)
Intercorporate deposits given		(105,000,000)	
Intercorporate deposits repaid		(105,000,000)	
Remuneration paid to Mr. Vineet Kumar Saxena			12,468,171 (3,464,801)
Balances:			
Trade Payable	1,498,961 (4,024,569)		

24 Contingent liabilities

There are no contingent liabilities as on the date of the balance sheet.

There were no pending litigations which would impact the financial position of the company.

There are no long-term contracts including derivative contracts for which there were any material foreseeable losses.

25 Capital & other commitments

- Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for as at 31 March 2019 is Rs.13,027,923/- (31 March 2018: Nil).

- Other commitments pertaining to undrawn committed credits as on 31 March 2019 is Rs. 21,100,342/- (31 March 2018: Nil)



26 Leases (Operating Lease)

Delhi Office is taken on operating lease. There are no subleases. Lease payments during the year are charged to Statement of Profit and Loss.

Description	As at 31 March 2019	As at 31 March 2018
Operating lease payments recognized during the year / period	2,456,000	-
Minimum Lease Obligations		
Not later than one year	7,368,000	-
Later than one year but not later than five years	31,812,875	-
Later than five years	3,799,125	-

27 The Company did not have any earnings and expenditure in foreign currency during the year / period. The Company do not have any exposures in foreign currency as at the Balance Sheet date.

28 The Company is not required to spend any amount on Corporate Social Responsibility activities as per the provisions of Section 135 of the Companies Act, 2013.

29 Segment information

The Company operates in a single reportable segment i.e. financing, which has similar risks and returns for the purpose of AS 17 on 'Segment Reporting'. Further, the Company operates in a single geographical segment i.e. domestic. Hence, no segment information is required to be reported.

30 Trade Payables: Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006

	As at 31 March 2019	As at 31 March 2018
(i) total outstanding dues of micro enterprises and small enterprises	28,180	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3,368,267	4,060,569
	<u>3,396,447</u>	<u>4,060,569</u>

No interest has been paid/is payable by the Company during/for the year to these 'Suppliers'. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Company for this purpose. This has been relied upon by the Auditors.

31 Disclosures as required by paragraph 29 of the Master Circular - The Housing Finance Companies (NHB) Directions, 2010, last amended on 2 July 2018:
a) Disclosures pursuant to paragraphs 29(1) and 29(2) for provisions is given in Note 6, Note 8 and Note 19 of the financial statements.
b) There are no disclosures required to be given as per paragraphs 29(3) to 29(6).

32 The comparative financial information of the Company for the period ended March 31, 2018 was audited by M/s Nagar Goel & Chawla (previous auditors of the Company).

33 Previous period numbers are regrouped / reclassified to conform with the grouping / classification of the current year. Previous period figures are not comparable as the Company has started its home loan business in current year after obtaining COR from National Housing Bank.

For and on behalf of the board
CAPITAL INDIA HOME LOANS LIMITED

Amit Sahai Kulsbreshtha

Amit Sahai Kulsbreshtha
Managing Director
DIN : 07869849

Vinod Kumar Saxena
Vinod Kumar Saxena
CEO & Whole Time Director
DIN : 07710277



Neeraj Toshniwal
Neeraj Toshniwal
Chief Financial Officer

Rachit Malhotra
Rachit Malhotra
Company Secretary

Place: New Delhi
Date: 26 April 2019

Place: New Delhi
Date: 26 April 2019