

CAPITAL FINVEST LIMITED

Registered Office: 1002, Arunachal, 19 Barakhamba Road, New Delhi -110 001.

Tel. No. +91-11 23315050, 23718585, Email id:capital89@yahoo.com

CIN: L67120DL1983PLC016575

Website : www.capfin.in

**Annual Report
2019-2020**

BOARD OF DIRECTORS

SHRI RATTAN SINGHANIA
SHRI LALIT KUMAR
SHRI ARUN KUMAR GARG
SMT NEETA GOEL

AUDITORS

M/S SRDP & Co.
Chartered Accountants
508, Arunachal - 5th Floor
19, Barakhamba Road,
New Delhi - 110 001.

COMPANY SECRETARY & COMPLIANCE OFFICER

MS. PRACHI GOEL

REGISTERED OFFICE

Flat No. 1002,
Arunachal - 10th Floor,
19, Barakhamba Road,
New Delhi - 110 001.

REGISTRARS & SHARE TRANSFER AGENT

SKYLINE FINANCIAL SERVICES PVT. LTD.
D-153/A, First Floor,
Okhla Industrial Area Phase - I,
New Delhi - 110 020

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 36th Annual General Meeting of Capital Finvest Limited will be held on Wednesday, 30th Day of September, 2020 at 11.00 A.M. at the Registered Office of the Company at 1002, Arunachal, 19 Barakhamba Road, New Delhi - 110 001, to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited financial statement of the company for the financial year ended March 31, 2020 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Shri Lalit Kumar (DIN 00059732), who retires by rotation and, being eligible offers himself for re-appointment.
3. To ratify appointment of M/s SRDP & Co., Chartered Accountants (Firm Registration No. 509930C) as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be decided by the Board of Directors or any Committee thereof.

SPECIAL BUSINESS

4. To reappoint Smt. Neeta Goel (DIN 07158388) as an Independent (Non-Executive) Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:
"**RESOLVED THAT** pursuant to Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act)" read with the companies (Appointment and Qualification of Directors) Rules, 2014 and the other applicable Rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Smt Neeta Goel (DIN: 07158388) whose term of office expires at the ensuing 36th Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director, be and is hereby reappointed with effect from the conclusion of this Annual General Meeting till the conclusion of the 40th Annual General Meeting as an Independent (Non Executive) Director of the Company, not liable to retire by rotation."
5. To reappoint Shri Rattan Singhania (DIN 00147685) as whole time Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:
"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and any other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 read with Schedule V of the said Act and Article 95 and 127 of the Articles of Association of the Company (including any statutory modifications and re-enactment thereof, for the time being in force) and as per the recommendation of the Nomination & Remuneration committee and subject to the consent of the members of the company by way of a Special Resolution at the forthcoming Annual General Meeting, Shri Rattan Singhania (DIN : 00147685) be and is hereby re-appointed as the Whole Time Director of the Company for a further period of three years with effect from 1st April 2021 to 31st March 2024, on the terms as under:
 - (a) **SALARY** : Upto a maximum of Rs. 2,00,000/- per month including dearness allowance and all other allowances with authority to the Board to fix the salary within the above maximum amount from time to time. Initially with effect from 1st April 2020 salary to be Rs. 1,30,000 (Rupees One Lakh Thirty Thousand) and thereafter annual or periodic increments to be decided by the Board within the above limit.
 - (b) **PERQUISITES**:
 - i) The company shall provide the Whole Time Director car with driver for official use as well as for self use or where the car is owned by him then incur/reimburse the expenditure incurred by him, the value of this perquisite to be determined as per Income Tax Rules.
 - ii) Reimbursement of expenditure actually incurred by him on his medical treatment or the treatment of any member of his family to the extent exempt from tax under the Income Tax Act, 1961.

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- iii) Reimbursement of medical Insurance Premium paid by him on his health or on the health of any member of his family under any scheme approved u/s 80 D of the Income Tax Act, 1961.
- iv) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service provided and it shall not be included in the computation of the ceiling on remuneration in any financial year if the Company has no profit or its profits are inadequate in that financial year.
- v) The company will provide one telephone and one internet connection at his residence for the business purposes of the company or pay the expenses for the telephone and one internet connection presently installed at his residence. He shall however reimburse the company for personal long distance telephone calls. The company would reimburse or pay expenses of one mobile phone.

He shall not be entitled to any sitting fees for any Board / committee meeting.

The company would reimburse or pay all expenses incurred in the performance of his duties for the purposes of the Company's business.

Notwithstanding anything herein contained, either party shall be entitled to determine his appointment by giving three months' notice in writing in that behalf to the other party and on the expiry of the period of such notice, his appointment shall stand terminated. The company shall also be entitled to terminate his appointment on giving him three month's salary as specified above.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Shri Rattan Singhanian, the remuneration by way of salary and perquisites or any other allowances as specified above and in accordance with the limits specified under the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration.

RESOLVED FURTHER THAT Shri Arun Kumar Garg - Director of the Company or Ms. Prachi Goel - Company Secretary of the Company be and are hereby severally authorised to file the necessary returns with the Registrar of Companies, NCT of Delhi & Haryana and to do all such acts, deeds and things and to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**By order of the Board of Directors
For CAPITAL FINVEST LIMITED
RATTAN SINGHANIA
Whole Time Director
DIN No. 00147685**

**Dated: : 03-09-2020
Place : New Delhi**

Notes:

1. **AMEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED.**
A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
2. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed thereto.
3. Members are requested to bring their Client ID and DP ID or Folio Numbers, as may be applicable, for easy identification of attendance at the meeting.
4. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.

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5. The Register of Members and Share Transfer Books of the Company shall remain closed during the Book Closure period, i.e., from 23rd September, 2020 to 30th September, 2020, both days inclusive in accordance with the provisions of Section 91 of the Companies Act, 2013 for the purpose of the meeting.
6. As a measure of economy and a step toward green initiative, Members are requested to bring copy of Annual Report / Notice to the meeting.
7. Members who have not already submitted their Permanent Account Number (PAN) & Email Id's, are requested to submit the same.
8. All documents referred in the accompanying Notice and Statutory records etc. are open for inspection at the Office of the Company during office hours on all working days, up to and inclusive of the date of the Annual General Meeting.
9. Pursuant to the provisions of the Companies Act, 2013 read with the Rules framed thereunder, the Company may send notice of general meeting, directors' report, auditors' report, audited financial statements and other documents through electronic mode. Further, pursuant to the first proviso to the Rule 18 of the Companies (Management and Administration) Rule, 2014, the Company shall provide an advance opportunity at least once in a financial year to the members to register their e-mail address and changes therein. In view of the same, Members are requested to kindly update their e-mail address with depository participants in case of holding shares in demat form. If holding shares in physical form, Members are requested to inform their e-mail ID to the Company.
10. Electronic copy of the Notice of the Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the aforesaid documents are being sent by the permitted mode.
11. The Registers maintained pursuant to provisions of Sections 170 and 189 of the Companies Act, 2013 and Rules made thereunder will be made available for inspection by Members of the Company at the Meeting.
12. **PROFILE OF DIRECTORS SEEKING REAPPOINTMENT AT THE ENSUING 36th AGM (Refer Item NO. 2, 4 & 5 of the Notice for AGM)**

| | | | |
|--|---|--|--------------------------------|
| Name of the Director | RATTAN SINGHANIA | LALIT KUMAR | NEETA GOEL |
| DIN | 147685 | 00059732 | 07158388 |
| Date of Birth | 01-07-1949 | 12-01-1952 | 24-12-1974 |
| Date of Appointment | 01-04-2021 | 30-09-2020 | 01-04-2020 |
| Profile/ Expertise in Specific functional Areas | A Fellow Member of The Institute of Chartered Accountants of India having vast knowledge in financial and company law matters. More than two decades experience in Capital Markets. | A Fellow Member of The Institute of Chartered Accountants of India having vast knowledge in financial and company law matters. | Graduate from Delhi University |
| Qualifications | B.Com, FCA | B.Com, FCA | B.Com |
| List of directorship in other Public Companies. (As on 31st March 2020) | -----NIL----- | -----NIL----- | -----NIL----- |
| Shares held by the Director | 158394 Equity Shares | 501 Equity Shares | 3250 |
| Relationship with other Director(s) | NONE | NONE | NONE |

13. Voting through electronic means:

Pursuant to Section 108 of the Companies Act, 2013, and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 24th September, 2020 at 11.00A.M. and ends on 29th September, 2020 at 5.00 P.M.. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|---|--|
| PAN | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the Pan field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the Pan field. |
| Dividend Bank Details OR Date Of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xii) Click on the EVSN (200831048) for the relevant <Capital Finvest Limited> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTION PROPOSED IN THIS NOTICE :

1. For Physical Shareholders - please provide necessary details like Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN Card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/ RTA email id.
2. For Demat Shareholders - Please provide Demat account details (CDSL -16 digit beneficiary ID or NSDL -16 digit DPID+ CLID), Name, Client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN Card), AADHAR (Self attested scanned copy of Aadhar Card) to Company/ RTA Email id.

(xx) Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same. Alternatively Non Individual shareholders are required to sent the relevant Board Resolution /Authority Letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutinizer and to the company at the email address viz; capital89@yahoo.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- (XX) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

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In case of members receiving the physical copy:

A. Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

B. COMMON INSTRUCTION

- i. E-voting shall not be allowed beyond 5.00 p.m. on 29th September, 2020. During e-voting period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 22nd September, 2020 may cast their vote electronically. Once the vote on a resolution is cast by the members, the members shall not be allowed to change it subsequently.
 - ii. The voting rights of shareholders shall be in proportion to their shares in the paid up equity capital of the Company as on the cut-off date of 22nd September, 2020.
 - iii. Ms. Richa Dhamija (Membership no. 9776) Company Secretary, has been appointed as a scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - iv. The Scrutinizer shall within a period not exceeding 2 working days from the conclusion of e-voting period unblock the votes in presence of at least two witnesses not in the employment of the Company and make a scrutinizers report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - v. In case of Members who are entitled to vote but have not exercised their right to vote by electronic means, the Chairman may offer an opportunity to such members to vote at the meeting for all business specified in the accompanying notice. For abundant clarity, please note that the Members who have exercised their right to vote by electronic means shall not vote at the meeting. The voting right of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
 - vi. The results shall be declared on or after the AGM of the Company. The resolution will be deemed to be passed on the AGM date subject to receipt of the requisite Number of votes in favour of the resolutions. The results declared along with the scrutinizers report shall be placed on the Company's Notice Board and on the website of CDSL within 2 days of passing of resolutions at the AGM of the Company and communicated to the Stock Exchanges.
14. Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions so as to reach the Company at least 10 days before the Annual General Meeting, so that the same can be suitably replied.
15. It may be noted that all COVID-19 norms like thermal screening, physical distancing, masks and use of sanitizers will be observed by all and arrangements in this respect will be made by the company.

Dated : 03-09-2020

Place : New Delhi

**By order of the Board of Directors
For CAPITAL FINVEST LIMITED**

RATTAN SINGHANIA

Whole Time Director

DIN No. 00147685

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4: REAPPOINTMENT OF NON EXECUTIVE INDEPENDENT WOMAN DIRECTOR

As per the provisions of Section 149(1) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company Should have at least one Woman Director on the Board of the Company. Accordingly, pursuant to the Articles of Association of the Company and Section 161 of the Companies Act, 2013. The Board of Directors has appointed Smt. Neeta Goel (DIN 07158388) as an Independent (Non-Executive) Director of the Company whose term of office expires at the ensuing 36th Annual General Meeting.

The Board of Directors after consideration has recommended to reappoint Smt Neeta Goel (DIN: 07158388) as an Independent Non-Executive Director within the meaning of Section 149 and 152 (including Section 149(10) of the new Companies Act, 2013 read with the Schedule IV attached thereto and Rules made under, with effect from the conclusion of this Annual General Meeting till the conclusion of the 40th Annual General Meeting not subject to retirement by rotation.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Smt. Neeta Goel for the office of Independent Director, to be reappointed as such under the provisions of Section 149 of the Companies Act 2013. The notice received under section 160(2) is available for inspection during normal business hours on any working day of the Company.

The Company has received from Smt. Neeta Goel consent in writing to act as a director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form Dir-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board of Directors, Smt. Neeta Goel (DIN 07158388), the Independent Director proposed to be reappointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the Management. The Board considers that her association would be immense benefit to the Company and it is desirable to continue to avail her services as an Independent Director.

The said Independent Director is not related to any of the Directors or Key Managerial Personnel (including relatives of Directors or Key Managerial Personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

None of the Directors and Key Managerial Personnel of the Company (including relatives of directors or Key Managerial Personnel) other than the respective Non-Executive Independent Director herself is concerned or interested, financially or otherwise, In this resolution.

The Board recommends the resolution set forth in Item No 4 for the approval of the members and needs to be passed being unavoidable.

Item No. 5 :

The Remuneration committee and the Board of Directors of the Company in their Virtual Zoom meeting held on 20th April 2020, subject to the approval of the Members at the forthcoming Annual General Meeting, recommended to reappoint Shri Rattan Singhania as a Whole Time Director of the Company for a further period of three years commencing from 1st April 2021 to 31st March 2024 on terms and conditions, as set out in the Notice of this Annual General Meeting.

Shri Rattan Singhania is to be re-appointed for a further period of 3 (three) years i.e. for a further period of three years commencing from 1st April 2021 to 31st March 2024 as Whole Time Director of the Company and he shall devote whole of his time and attention to his services as Whole Time Director of the Company and shall under the superintendence, control and direction of the Board, perform duties and exercise the powers as may be entrusted to or confer upon by the Board. His brief resume has been given in para 12 of Notes of Annual General Meeting Notice.

The Board recommends the resolution set forth in Item No 5 for the approval of the members and needs to be passed being unavoidable.

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STATEMENT PURSUANT TO CLAUSE (iv) OF SECOND PROVISO TO SUB PARAGRAPH OF SECTION 11 OF PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013

| I | General Information | | | | |
|-----|---|---|---------|---------|--|
| | Nature of Industry | Trading, Investments & NBFC activities | | | |
| | Date of expected date of commencement of commercial production | 20.09.1983 | | | |
| | Financial Performance based on given indicators | in Lakhs | | | |
| | Financial Parameters | 2019-20 | 2018-19 | 2017-18 | |
| | Revenue from operations | 29.85 | 39.93 | 41.65 | |
| | Profit After Tax | -7.27 | 3.37 | 8.08 | |
| | Amount of Dividend Paid | - | - | - | |
| | Rate of Dividend | - | - | - | |
| | Foreign investments or collaborations, if any. | No foreign Investments or Collaborations have been made | | | |
| II | Information about the appointee: | | | | |
| | Background details | Furnished in Para 12 of Notes of Annual General Meeting | | | |
| | Past remuneration | Rs. 1,30,000/- | | | |
| | Recognition or awards | - | | | |
| | Job profile and his suitability | As Whole Time Director of the company he will be responsible for the management of the company, subject to the superintendence, guidance and control of the Board of Directors of the Company. Taking into account his previous experience, educational background, knowledge about the industry and the nature and size of operations of the Company, he is a fit and proper person to be appointed as the Whole Time Director of the Company. | | | |
| | Remuneration proposed | Furnished in the Resolution | | | |
| | Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) | The proposed remuneration is reasonable with respect to the industry, size of the Company and job profile of the proposed appointee. | | | |
| | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any. | Shri Rattan Singhanian is the Founder Promoter of the Company. No relationship with the Managerial Personnel | | | |
| III | Other information : | - | | | |
| | Reasons of loss or inadequate profits | Nature of Business | | | |
| | Steps taken or proposed to be taken for improvement | Depends on Market conditions | | | |
| | Expected increase in productivity and profits in measurable terms | Unpredictable due to nature of business | | | |
| IV | Disclosures: | | | | |
| | The following disclosures shall be mentioned in the Board of Director's Report under the heading "Corporate Governance", if any, attached to the financial statement:- | | | | |

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| | | |
|--|---|--|
| | <ul style="list-style-type: none">(i) all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;(ii) details of fixed component and performance linked incentives along with the performance criteria;(iii) service contracts, notice period, severance fees;(iv) stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable. | No Remuneration to any other director Fixed Remuneration only As Per Resolution -NIL- |
|--|---|--|

DIRECTORS' REPORT**To the Members of CAPITAL FINVEST LIMITED**

Your Directors have pleasure in presenting the 36th Annual Report together with the audited financial statements for the financial year ended 31st March, 2020.

1. FINANCIAL RESULTS

| PARTICULARS | (Rs.in Lakhs) | (Rs.in Lakhs) |
|---|---------------|---------------|
| | 2019-20 | 2018-19 |
| Income | 29.85 | 46.43 |
| Expenses | 34.95 | 33.74 |
| Profit (before financial charges, depreciation and tax) | -5.10 | 12.69 |
| Net Finance Expense / (Income) | NIL | NIL |
| Depreciation and amortization Expenses | 2.17 | 2.83 |
| Profit before tax | -7.27 | 9.85 |
| Tax Expense / Written Back | -.07 | 0.32 |
| Net Profit for the year | -7.34 | 10.18 |

2. FINANCIAL PERFORMANCE & OUTLOOK

The total income for the financial year under review was 29.85 lakhs as against 46.43 lakhs for the previous financial year. The loss before tax is 7.27 lakhs as against profit of 9.85 lakhs of last year. The financial results are thus disappointing. Your company mainly operates in Capital Markets and Commodities markets by way of arbitrage, trading and investment activities on its own account. The markets remained full of volatility during the year. Unforeseen and unpredictable events happened during the year under reference affecting the performance of the company. Then came bombshell of Corona Virus viz. Covid-19. There is no direct impact of the Covid-19 pandemic on the financial statements of the company. Indirectly it has created volatility in the capital markets where the company operates and the prices of the stocks have come down automatically resulting into loss but it is not possible to attribute or assign a figure due to the impact of pandemic but it did not affect the company as a going concern. The company is always on the lookout for alternative avenues for business opportunities. The company is managing various risks by maintaining a conservative financial profile and by following prudent business and risk management practices. Medium term to long term growth prospects look grim in view of the global slowdown in the world economy mainly due to the impact of Covid-19.

3. DIVIDEND

As the year has ended into a Loss, your Directors do not recommend any dividend for the year ended 31st March, 2020.

4. TRANSFER TO RESERVES

There was no transfer to any reserve as the year has ended into a loss.

5. CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of the business of the Company during the Financial Year 2019-20.

6. SUBSIDIARY COMPANIES

The Company did not have any Subsidiary Company or any joint ventures during the year under review.

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

Considering its nature of activities, the following disclosures are made as per the provisions of Section 134(3) (m) of the Companies Act, 2013, read with Rule 8 (3) of the Companies (Accounts) Rules, 2014:

- a. The Company has no activities relating to conservation of energy and technology absorption.
- b. There are no foreign exchange earnings or outgo during the period under review.

8. DEPOSIT FROM PUBLIC

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Your company has not made any loan or given any guarantees or made any investment under section 186 of the Companies Act, 2013.

10. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(5) of the Act and based on the representations received from the management, the directors hereby confirm that:

- a. In the preparation of the annual accounts for the financial year 2019-20 the applicable accounting standards have been followed and there are no material departures;
- b. they 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 and of the profit of the Company for the financial year;
- c. they have taken Proper and sufficient care to the best of their knowledge and ability for the 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 fraud and other irregularities;
- d. they have prepared the annual accounts on a going concern basis;
- e. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly.
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. CHANGE IN SHARE CAPITAL DURING THE FINANCIAL YEAR 2019-20

There was no change in the Share Capital of the company.

12. STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s SRDP & Co., Chartered Accountants (FRN 509930C) were appointed as Auditors of the Company, for a term of 5(five) consecutive years at the Annual General Meeting held on 26-09-2017. Their continuance of appointment is placed for ratification at the ensuing Annual General Meeting. The Company has received a certificate from the above Auditors to the effect that if their appointment is ratified, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

12A. AUDIT REPORT

The Statutory Auditors have submitted the Audit Report on the Financial Statements of the Company for the accounting year ended 31st March 2020. The observations and comments given by Auditors in their Report read together with the Notes to the Accounts are general in nature with no qualification and are self explanatory and require no comments.

13. COST AUDITORS

In view of the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable to your company.

14. SECRETARIAL AUDITORS

Pursuant to provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Richa Dhamija & Company, a Company Secretary in practice to undertake the Secretarial Audit of the Company for the year 2019-20. The Secretarial Audit Report, as placed by the Auditors is annexed with this Report as Annexure-I.

15. SECRETARIAL AUDITOR'S REPORT

There are no disqualifications or adverse remarks in the Secretarial Auditors Report.

16. INTERNAL AUDITORS

The Company has appointed M/s SPDG & Associates Chartered Accountants as Internal Auditor of the Company for a period of Five years till 31st March 2023. Their Report was placed before the Audit Committee of the Company from time to time.

17. ANNUAL RETURN

The extract of Annexure-II of the Annual Return in Form MGT-9 as provided in Section 92(3) of the Companies Act 2013, has been posted on the Company's Website and the weblink is http://capfin.in/download/2020-2021/2A_CFL_MGT9_2020.pdf

18. DIRECTORS

All the Directors have varied experience and specialized knowledge in various areas of relevance to the Company. The Board consists of directors appointed as per the provisions of the Companies Act, 2013.

Shri Lalit Kumar, Director, retires by rotation and being eligible, has offered himself for re-appointment. The Board recommends the same for your approval.

19. NUMBER OF MEETINGS OF THE BOARD

Six meetings of the Board of Directors of the Company were held during the year.

The details of attendance of each Director at Board Meetings are as follows:

| S.NO. | Name of the Director | Board Meetings | |
|-------|-----------------------|----------------------|-------------------------|
| | | No. of Meetings held | No.of Meetings attended |
| 1. | Shri Rattan Singhania | 4 | 4 |
| 2. | Shri Arun Kumar Garg | 4 | 4 |
| 3. | Shri Lalit Kumar | 4 | 4 |
| 4. | Smt. Neeta Goel | 4 | 4 |

Meetings were held on 30-05-19, 14-08-19, 17-08-18, 12-11-19 and 11-02-2020.

20. TRANSACTIONS WITH RELATED PARTIES

The Company has not entered into any contract or arrangement or transaction of material nature as specified u/s 188 (1) of the Act with any of the related party except the remuneration paid to its Key Managerial Personnel of which disclosures has been given in the notes to the financial statements.

21. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

22. RISK MANAGEMENT

The Risk Management is overseen by the Audit Committee and Board of the Company on a continuous basis. The Company has in place a mechanism to inform the Board about the risk assessment and minimisation procedures and periodical review to ensure that risk is controlled by means of a properly defined framework. In the Board's view, there are no material risks, which may threaten the existence of the Company.

23. DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfil all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

24. CORPORATE GOVERNANCE REPORT

Corporate Governance Report Pursuant to Clause 49 of the Listing Agreement is not applicable to the company as the Paid up capital of the company is less than 10 crores and networth less than Rs. 25 crores.

25. CORPORATE SOCIAL RESPONSIBILITY

Provisions of Section 135 of the Companies Act, 2013 are not applicable to the company.

26. MATERIAL CHANGES AND COMMITMENTS

No material changes or commitments which may affect the financial position of the Company has occurred between the end of the financial year of the Company and the date of this report.

27. BOARD EVALUATION

Pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by SEBI under Clause 49 of the Equity Listing Agreement, the Board of Directors has carried out an annual evaluation of its performance, and that of its Committees and Individual Directors.

The performance of the Board, Wholetime director and individual Directors was evaluated by the Board seeking inputs from the directors. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members. The Nomination and Remuneration Committee reviewed the performance of the individual director.

The Criteria for performance evaluation of the Board included aspects like Board composition and structure, effectiveness of Board processes, information and functioning transparency and disclosures etc.

28. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The company has in place adequate internal financial control and procedures commensurate with its size, extent and nature of its activities alongwith periodical review of operational effectiveness. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. This ensures orderly and efficient conduct of its business and policies, safeguarding of its assets, prevention of errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

29. LISTING

The Equity shares of your company are listed at Metropolitan Stock Exchange of India Limited. The Company has paid listing fees to the said Stock Exchange for the year 2019-2020.

30. VIGIL MECHANISM

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) 2015, a Vigil Mechanism for directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy has been established.

31. AUDIT COMMITTEE

The Company has constituted an Audit Committee consisting of Non executive independent directors viz. Shri Arun Kumar Garg, Smt. Neeta Goel and Shri Lalit Kumar. There was no recommendation of the Audit Committee which was not accepted by the board. Four meetings were held during the year attended by the aforesaid directors as under:

| S.NO. | Name of the Director | No. of Meetings held | No.of Meetings attended |
|-------|----------------------|----------------------|-------------------------|
| 1. | Shri Arun Kumar Garg | 4 | 4 |
| 2. | Shri Lalit Kumar | 4 | 4 |
| 3. | Smt. Neeta Goel | 4 | 4 |

Meetings were held on 30-05-19, 14-08-19, 12-11-19 and 11-02-2020.

32. NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted a Nomination and Remuneration Committee consisting of three non-executive Independent directors viz. Shri Arun Kumar Garg, Smt. Neeta Goel and Shri Lalit Kumar. Two meetings were held during the year attended by the aforesaid directors as under :

| S.NO. | Name of the Director | No. of Meetings held | No.of Meetings attended |
|--------------|-----------------------------|-----------------------------|--------------------------------|
| 1. | Shri Arun Kumar Garg | 1 | 1 |
| 2. | Shri Lalit Kumar | 1 | 1 |
| 3. | Smt. Neeta Goel | 1 | 1 |

Meetings were held on 30-04-2019.

33. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The Company has in place a Remuneration Policy for the Directors, Key Managerial Personnel and other employees, Pursuant to the provisions of the Act, the same is annexed hereto as Annexure III.

34. REMUNERATION RATIO OF THE DIRECTORS

The information required pursuant to Section 197 (12) read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed at Annexure-IV.

35. PARTICULARS OF EMPLOYEES AND REMUNERATION

Disclosures as required under Rules 5(2) & 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

- (i) statement showing the details of the top 10 employees in terms of remuneration drawn is attached as Annexure 'V';
- (ii) statement showing the details of employees employed throughout the financial year and is in receipt of remuneration of Rs. 1,02,00,000/- (Rupees One Crore and Two Lacs only) or more, or employed for a part of the year and in receipt of Rs. 8,50,000/- (Rupees Eight Lacs and Fifty Thousand only) or more a month - Not Applicable as none of the employee received in excess of the aforesaid limits.

36. DEMATERIALISATION OF SHARES

As at March 31, 2020 89.42% of equity shares of the Company have been dematerialised by shareholders through National Securities Depository Limited & Central Depository Services Limited. The shareholders, who have not gone for dematerialization of the shares till date, are requested to opt for dematerialization of the shares at the earliest.

Consequent to SEBI having amended Regulation 40 of SEBI (LODR) Regulations, 2015 with respect to mandatory dematerialization for transfer of securities, members are advised to get their physical certificates dematerialised. Physical certificates which are lodged for transfer will be mandatorily dematerialized with effect from 5th December 2018.

The Company has appointed M/s Skyline Financial Services Pvt. Ltd., as Registrar for Share Transfer and Electronic connectivity. Accordingly all the shareholders, Investors, Members of the Stock Exchanges, Depository Participants and all other concerned are requested to send all communication in respect of share transfer, demat / remat, change of address etc. to our Registrar at below mentioned address :

M/s Skyline Financial Services Pvt. Ltd.

(Unit: Capital Finvest Limited)

D-153A, 1st Floor,

Okhla Industrial Area Phase - I,

New Delhi - 110 020

Telephone No. : (011) 40450193-197

Fax No. : (011) 26812682

37. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF NON-EXECUTIVE DIRECTORS

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company.

38. ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to business associates for their support and contribution during the year. The Directors would also like to thank the employees, shareholders and bankers for the continued support given by them to the Company and their confidence reposed in the management.

**By Order of the Board of Directors
For CAPITAL FINVEST LIMITED
RATTAN SINGHANIA
Whole Time Director
DIN : 00147685
CHAIRPERSON**

**PLACE : NEW DELHI
DATED : 03-09-2020**

ANNEXURE - I

Richa Dhamija and Company
Companies Secretaries

E-mail id : hricha.dhamija@gmail.com
Address : C-553, Sector-19, Noida - 201301
Mobile No. 9911792770

Form No. MR-3

SECRETARIALAUDITREPORT

For The Financial Year Ended 31st March, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

**The Members,
CAPITAL FINVEST LIMITED
1002 ARUNACHAL 19 BARAKHAMBA,
ROAD NEW DELHI 110001**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Capital Finvest Limited** (hereinafter called the **Company**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during **the audit period** covering the financial year **ended 31st March, 2020** (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2020** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (No Fresh FDI, ODI and ECB was taken by the Company during the Audit Period)
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (not applicable during the review period)
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Company did not issue any securities during the Audit Period);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (company has not grant any option to its employee during the Audit Period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Company did not issue any debt securities during the Audit Period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009; (Not Applicable to the company during the period under review)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the company during the period under review)
- (vi) Other laws applicable to the Company as per the representations made by the Management.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Metropolitan Stock Exchange Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following:

Based on the information received and records maintained, we further report that,

1. Pursuant to Section 203 of the Companies Act, 2013, the Company has appointed Mrs. Prachi Goel as Company Secretary of the Company on 1st February, 2020.
2. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
3. Adequate notices were given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance with the proper compliances of the provisions of Companies Act, 2013. Some meetings were held on shorter notice with the proper compliances of applicable provisions of Companies Act, 2013 and rules made there under.
4. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. And In respect of other laws specifically applicable to the Company, I have relied on information/records produced by the Company during the course of my audit and the reporting is limited to that extent.

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

- i. Public/Right/preferential/debentures/sweat equity, etc.
- ii. Redemption/buy-back of securities
- iii. Any approval taken from members in pursuance to section 180 of the Companies Act, 2013
- iv. Merger/amalgamation/reconstruction, etc.
- v. Foreign technical collaborations

This Report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report.

For Richa Dhamija & Company
(Practising Company Secretaries)
SD/-
Richa Dhamija
(Proprietor)
FCS 9776
COP 12099

Date: 14.07.2020
Place: Delhi

CAPITAL FINVEST LIMITED

To,

**The Members,
CAPITAL FINVEST LIMITED
1002 ARUNACHAL 19 BARAKHAMBHA,
ROAD NEW DELHI 110001**

Sub: Secretarial Audit for the Financial Year ended March, 2020 of even date is to be read with this letter

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Richa Dhamija & Company
(Practising Company Secretaries)**

**Richa Dhamija
(Proprietor)
FCS 9776
COP 12099**

**Date: 14.07.2020
Place: Delhi**

ANNEXURE - III REMUNERATION POLICY

Remuneration Policy for Directors, Key Managerial Personnel and other employees

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of law shall prevail and the company shall abide by the applicable law.

This policy has been framed keeping in view the nature of its activities, size, resources and its capacity to pay.

Key principles governing this remuneration policy are as follows:

Remuneration for Independent Directors

- Independent Directors are to be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members). Quantum of sitting fees may be subject to review on a periodic basis, as required. In addition to the sitting fees, they are also eligible for out of pocket expenses incurred for attending the Board Meetings and Committees of the Board.
- Overall remuneration (sitting fees) should be fair and reasonable keeping in view the nature and size of the company's activities.

Remuneration for Managing Director (MD) / Whole Time Director / KMP/ Rest of the employees

The extent of overall remuneration should be sufficient to engage and retain suitable individuals. Hence remuneration should be based on:

- Qualification, experience and suitability to the company,
- Market competitiveness,
- Driven by the role played by the individual,
- Reflective of size of the Company, complexity of the sector / industry / company's operations and the company's capacity to pay.
- The remuneration mix for the MD / EDs or Wholetime Director is as per the terms approved by the Board and Members. In case of any change, the same would require the approval of the Members.
- Basic / fixed salary is provided to all employees as per terms agreed with them.
- In addition to the basic / fixed salary, the company may provide employees with certain perquisites, allowances and benefits where possible like leave encashment, bonus, reimbursement etc. and annual increments.
- In addition to the fixed salary and perquisites as provided, the company may provide MD / EDs or Wholetime director such remuneration, calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board, subject to the overall ceiling stipulated in Section 197 of the Act.

Policy implementation

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

ANNEXURE - IV

DETAILS OF RATIO OF REMUNERATION OF DIRECTORS UNDER SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014

- i) **The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;**

| Name of the Director | Ratio to Median Remuneration |
|---------------------------------------|-------------------------------------|
| Rattan Singhania - Wholetime Director | 14.44 |

- ii) **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;**

| | | |
|-------------------------|-----------------------------|----------------------------------|
| The percentage increase | (a) Whole Time Director | 8.33% |
| | (b) Chief Financial Officer | 8.57% |
| | (c) Company Secretary | NIL (i.e. last year paid partly) |

- iii) **The percentage increase in the median remuneration of employees in the financial year**

The percentage increase in the median remuneration was 7.68.

- iv) **The number of permanent employees on the rolls of company as on 31st March 2020**

The number of permanent employees on the rolls of the company as on 31st March 2020 was Five.

- v) **The explanation on the relationship between average increase in remuneration and company performance;**

The increase in remuneration is in the line with the market trends and represents Nominal annual increments only and has no correlation with company's performance.

- vi) **Comparision of the remuneration of the Key Managerial Personnel against the performance of the company;**

| Particulars | Amount in Rs. |
|--|----------------------|
| Remuneration of Key Managerial Personnel (KMP) during financial year 2019-2020 | 22,40,000/- |
| Revenue from Operations | 29,85,000/- |
| Remuneration (as% of revenue) | 75.04% |
| Remuneration (as% of PBT)* | 0 |

- vii) **Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variation in the net worth of the Company as at the close of the current financial year and previous financial year;**

Earlier shares of the company were listed at the Delhi Stock Exchange which was lying closed for over a decade and as such there was no trading in the shares of the company. Shares of the company were listed at the Metropolitan Exchange of India only on 12-12-2014 and there has been no trading in the shares of the Company during the financial year ended 31st March 2020, therefore, there is no informations or rates to be given in this respect.

- viii) **average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial Remuneration**

CAPITAL FINVEST LIMITED

The average percentile increase made in Salaries of employees other than managerial personnel in 2019-2020 was around 10% whereas percentile increase in the managerial remuneration for the year was less than 10% for the same financial year.

ix) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company

| Particulars | Mr. Rattan Singhania | Ms. Alka Sharma | Ms. Juhi Mathur | Ms. Prachi Goel |
|-------------------------------|----------------------|-----------------|-----------------|-----------------|
| Remuneration | 15,60,000/- | 5,32,000/- | 1,08,000/- | 40,000/- |
| Revenue | 29,85,000/- | 29,85,000/- | 29,85,000/- | 29,85,000/- |
| Remuneration (as% of revenue) | 52.26% | 17.82% | 3.62% | 1.34% |
| Profit before tax (PBT) | -7,27,000/- | -7,27,000/- | -7,27,000/- | -7,27,000/- |
| Remuneration (as% of PBT)* | 0 | 0 | 0 | 0 |

x) the key parameters for any variable component of remuneration availed by the directors;

There are no variable components of salary paid in 2019-20 linked with the performance of the Company for the said managerial personnel.

xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;

There is no such employee being paid higher than the highest paid director.

xii) Affirmation that the remuneration is as per the remuneration policy of the Company

It is hereby affirmed that the remuneration paid during the Financial Year ended 31st March 2020 is as per the Remuneration Policy of the Company.

ANNEXURE - V

DISCLOSURES PERTAINING TO STATEMENT SHOWING THE DETAILS OF THE TOP 10 EMPLOYEES IN TERMS OF REMUNERATION DRAWN AS REQUIRED UNDER RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

| Name of the Employee | Shri Rattan Singhania | Ms. Alka Sharma | Ms. Prachi Goel | Ms. Juhi Mathur | Mr. Umesh Kumar Ray | Mr. Mahharaj Singh | Mr. Ram kumar | Mr. Anil Kumar |
|---|-------------------------|-------------------------|-------------------|-------------------|---------------------|-------------------------|------------------|----------------|
| Designation of the Employee | Whole Time Director | Chief Financial Officer | Company Secretary | Company Secretary | Driver /Helper | Office Assistant | Office Assistant | Cleaner |
| Remuneration received (p.a.) | Rs.1560000/- | Rs.532000/- | Rs.40000/- | Rs.108000/- | Rs.259000/- | Rs.231000/- | Rs.290000/- | Rs.349000/- |
| Nature of Employment, whether contractual or otherwise | Permanent | Permanent | Permanent | Permanent | Permanent | Permanent | Temporary | Temporary |
| Qualifications and experience of employee | Chartered Accountant | B.Com | Company Secretary | Company Secretary | 10th Class | 10th Class | 5th Class | 5th Class |
| Date of commencement of employment | Since 2008 | Since 2001 | Since Feb' 2020 | Since 2017 | Since 2011 | Since 2001 | - | - |
| Age of Employee | 70 Years | 51 Year | 29 Years | 28 Years | 42 Years | 36 Years | 38 Yrs | 34 Years |
| Last employment held by such employee before joining the Company | Capital Securities Ltd. | Capital Securities Ltd. | NIL | NIL | Fortis Hospital | Capital Securities Ltd. | NIL | NIL |
| % of Equity shares held by the Employee in the Company | 7.92 % | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager | NO | NO | NO | NO | NO | NO | NO | NO |

For CAPITAL FINVEST LIMITED
 RATTAN SINGHANIA
 Whole Time Director
 DIN: 00147685
 C-704, 3rd Floor,
 New Friends Colony,
 New Delhi - 110025

INDEPENDENT AUDITORS REPORT

To the Members of CAPITAL FINVEST LIMITED

I. Report on the Audit of the Standalone Financial Statements

1. Opinion

- A. We have audited the accompanying Standalone Financial Statements of Capital Finvest Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").
- B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IndAS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date

2. Basis for Opinion

We conducted our audit of the Standalone 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 Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there is no matters to be describe in key audit matters.

4. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

- A. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information to the extent applicable, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- B. In connection with our audit of the 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.

5. Management's Responsibility for the Standalone Financial Statements

- A. 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 Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the IndAS and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

6. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

- A. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.
- B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- i) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - ii) Obtain an understanding of internal financial controls 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.
 - iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - v) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- C. Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone 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 Standalone Financial Statements.
- D. 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.

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

II. 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account
- D. In our opinion, the aforesaid standalone financial statements comply with the IndAS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
- E. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- H. With respect to the other matters to be included in the Auditor's 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 to the extent applicable.

For SRDP & CO.
Chartered Accountants
FRNo. 509930C
CA Pramod Kumar Agarwal
(Partner)
M. No.084059

Place: New Delhi
Dated : 31st July 2020

Annexure 'A' to the Independent Auditors Report Pursuant to Companies (Auditor's Report) Order 2016

Report on the Internal Financial Controls under Clause (i) of sub-section 3 Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal Financial Controls over financial reporting of **CAPITAL FINVEST LIMITED** ("the Company") as at March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (:ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, 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 of 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 control 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 control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,

projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SRDP & CO.

Chartered Accountants

FR No. 509930C

CA Pramod Kumar Agarwal

(Partner)

M. No.084059

Place: New Delhi
Dated : 31st July 2020

Annexure 'B' to the Independent Auditors Report Pursuant to Companies (Auditors Report) Order 2016

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year at reasonable intervals having regard to the size of the company and nature of its business. No material discrepancies were noticed on such physical verification.
- (c) As explained to us, there was no immovable property held by the company.
- (ii) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the company and the nature of its business. No material discrepancy was noticed.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act. Accordingly the provisions of clause 3(iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, in respect of loans, investments, guarantees, and security.
- (v) The company has not accepted any deposit from the public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) As informed to us, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, in respect of the activities carried on by the company.
- (vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including provident fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Services Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanations given to us, there are no dues of Income Tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues of banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised money by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3(ix) of the order are not applicable to the company and hence not commented upon.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act.
- (xii) In our opinion, the company is not a Nidhi Company. Therefore, the provisions of clause 4(xii) of the order are not applicable to the Company.

CAPITAL FINVEST LIMITED

- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment of private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (xvi) The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934.

For SRDP & CO.
Chartered Accountants
FRNo. 509930C
CA Pramod Kumar Agarwal
(Partner)
M. No.084059

Place: New Delhi
Dated : 31st July 2020

CAPITAL FINVEST LIMITED

BALANCE SHEET AS AT 31ST MARCH 2020

(Rs. in Lakhs)

| Particulars | Note No. | As at 31-March-2020 | As at 31-March-2019 | As at 1-April-2018 |
|---|----------|------------------------|------------------------|-----------------------|
| ASSETS | | | | |
| (1) Financial assets | | | | |
| (a) Cash and cash equivalents | 6 | 48.57 | 18.48 | 9.59 |
| (b) Loans | 7 | 60.61 | 60.88 | 110.79 |
| (c) Investments | 8 | 122.50 | 114.81 | 108.72 |
| (d) Other financial assets | 9 | 60.74 | 6.79 | 2.23 |
| Total financial assets (A) | | 292.42 | 200.96 | 231.33 |
| (2) Non-financial assets | | | | |
| (a) Inventories | 10 | 151.39 | 245.56 | 203.71 |
| (b) Current tax assets (net) | | 0.54 | 0.58 | 0.00 |
| (c) Deferred tax assets (net) | | 0.50 | 0.29 | 0.00 |
| (d) Tangible Assets | 11(a) | 5.77 | 7.71 | 9.27 |
| (e) Intangibles assets | 11(b) | 0.00 | 0.20 | 0.86 |
| Total non-financial assets (B) | | 158.20 | 254.34 | 213.84 |
| TOTAL ASSETS (A+B) | | 450.62 | 455.30 | 445.17 |
| LIABILITIES AND EQUITY | | | | |
| LIABILITIES | | | | |
| (1) Non-financial liabilities | | | | |
| (a) Provisions | 12 | 3.17 | 0.50 | 0.55 |
| Total non-financial liabilities | | 3.17 | 0.50 | 0.55 |
| TOTAL LIABILITIES (C) | | 3.17 | 0.50 | 0.55 |
| (2) EQUITY | | | | |
| (a) Equity share capital | 13(a) | 200.00 | 200.00 | 200.00 |
| (b) Other equity | 13(b) | 247.45 | 254.80 | 244.62 |
| TOTAL EQUITY (D) | | 447.45 | 454.80 | 444.62 |
| TOTAL LIABILITIES AND EQUITY (C+D) | | 450.62 | 455.30 | 445.17 |

The accompanying notes are an integral part of these financial statements

AS PER OUR REPORT OF EVEN DATE

FOR SRDP & CO.

CHARTERED ACCOUNTANTS

(Firm Registration No. 509930C)

CA PRAMOD KUMAR AGARWAL

M.No. 084059

(PARTNER)

RATTAN SINGHANIA
Whole Time Director
DIN : 00147685

ARUN KUMAR GARG
DIRECTOR
DIN : 00161007

ALKA SHARMA
CFO

PRACHI GOEL
COMPANY SECRETARY

PLACE : DELHI

DATED : 31st July 2020

CAPITAL FINVEST LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2020

(Rs. in Lakhs)

| Particulars | Note No. | For the year ended 31-March-2020 | For the year ended 31-March-2019 |
|---|----------|-------------------------------------|-------------------------------------|
| Revenue from operations | | | |
| Interest income | 14 (a) | 5.43 | 5.78 |
| Net gain after fair value changes | 14 (b) | 19.94 | 34.56 |
| Dividend income | 15 | 4.48 | 6.09 |
| Total revenue from operations | | 29.85 | 46.43 |
| Total income | | 29.85 | 46.43 |
| EXPENSES | | | |
| Employee benefits expenses | 16 | 28.22 | 26.86 |
| Other expenses | 17 | 6.73 | 6.88 |
| Depreciation and amortization expense | 18 | 2.17 | 2.83 |
| Total expenses | | 37.12 | 36.57 |
| Profit before tax | | (7.27) | 9.85 |
| Tax expense: | | | |
| Written off | | 0.28 | 0.00 |
| Prior period tax adjustment | | 0.00 | (0.02) |
| Deferred tax expense/ (credit) | | (0.21) | (0.30) |
| Profit for the year after tax [A] | | (7.34) | 10.18 |
| Other Comprehensive Income | | | |
| A) Item that will be reclassified to profit and loss | | | |
| Equity Instrument through Other Comprehensive Income | - | - | - |
| B) Item that will not be reclassified to profit and loss | | | |
| Other Comprehensive Income | | - | - |
| Total Comprehensive Income for the year | | (7.34) | 10.18 |
| Earnings per equity share (Rs.) | | | |
| Basic earnings per share | 19 | (0.37) | 0.51 |
| Diluted earnings per share | | (0.37) | 0.51 |
| The accompanying notes are an integral part of these financial statements | | | |

AS PER OUR REPORT OF EVEN DATE

FOR SRDP & CO.

CHARTERED ACCOUNTANTS

(Firm Registration No. 509930C)

CA PRAMOD KUMAR AGARWAL

M.No. 084059

(PARTNER)

RATTAN SINGHANIA
Whole Time Director
DIN : 00147685

ARUN KUMAR GARG
DIRECTOR
DIN : 00161007

ALKA SHARMA
CFO

PRACHI GOEL
COMPANY SECRETARY

PLACE : DELHI

DATED : 31st July 2020

CAPITAL FINVEST LIMITED

Statement of changes in equity for the year ended 31 March 2020

Equity share capital

Equity shares

| Particulars | Number of shares | Amount |
|-------------------------|------------------|---------------|
| At 31 March 2018 | 2,000,000 | 200.00 |
| Issue of share capital | - | - |
| At 31 March 2019 | 2,000,000 | 200.00 |
| Issue of share capital | - | - |
| At 31 March 2020 | 2,000,000 | 200.00 |

Other equity

| Particulars | Reserves and surplus | | | Items of other comprehensive income | | Total |
|---|----------------------|--------------------|-------------------|--|---|---------------|
| | Special reserve | Securities premium | Retained earnings | Actuarial gain/ (loss) on defined benefits obligations | Equity instruments through other comprehensive income | |
| Balance at 31 March 2018 | 17.62 | 15.45 | 212.22 | 0.00 | 0.00 | 245.29 |
| Investment through other comprehensive item | - | - | - | 0.00 | 0.00 | 0.00 |
| Profit for the year | - | - | 10.18 | - | - | 10.18 |
| Add : from retained earning | - | - | - | - | - | - |
| Less: Transfer to special reserve | - | - | 0.67 | - | - | 0.67 |
| Balance at 31 March 2019 | 17.62 | 15.45 | 221.73 | - | - | 254.80 |
| Investment through other comprehensive item | - | - | - | - | - | - |
| Profit for the year | - | - | (7.34) | - | - | (7.34) |
| Less: Transfer to special reserve | - | - | - | - | - | - |
| Balance at 31 March 2020 | 17.62 | 15.45 | 214.38 | 0.00 | 0.00 | 247.45 |

CAPITAL FINVEST LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

(Rs. in Lakhs)

| Particulars | For the year ended 31-March-2020 | For the year ended 31-March-2019 |
|---|-------------------------------------|-------------------------------------|
| Cash flow from/(used in) operating activities | | |
| Profit /(loss) before tax | (7.27) | 9.85 |
| Adjustment for: | | |
| Depreciation | 2.17 | 2.83 |
| Net (gain)/loss arising on investments mandatorily measured at Fair value through profit and loss | - | - |
| Provision made | 2.67 | - |
| Movement in working capital: | | |
| (Increase)/decrease in trade receivables and other financial assets | - | (4.57) |
| (Increase)/decrease in Inventories | 94.17 | (41.84) |
| (Increase)/decrease in loans | 0.27 | 49.91 |
| (Increase)/decrease in other assets | (53.92) | (0.58) |
| Increase/(decrease) in other liabilities | - | (0.04) |
| Cash generated from/(used in) operations | 38.09 | 15.57 |
| Income tax paid | 0.00 | 0.02 |
| Cash generated from/(used in) operations [A] | 38.09 | 15.59 |
| Cash flow from/(used in) investing activities | | |
| Proceeds from sale of investments (net) | (7.69) | (6.09) |
| Payment for acquisition of Property, plant and equipments including capital advances | (0.31) | (0.61) |
| Cash generated from/(used in) investing activities [B] | (8.00) | (6.70) |
| Net increase/(decrease) in cash and cash equivalents [A+B] | 30.09 | 8.88 |
| Add: Cash and cash equivalents at the beginning of the year | 18.48 | 9.60 |
| Cash and cash equivalents at the end of the year | 48.57 | 18.48 |
| Net Change (+) Increase / (-) Decrease in cash and cash equivalents [A+B] | 30.09 | 8.88 |

AS PER OUR REPORT OF EVEN DATE

FOR SRDP & CO.

CHARTERED ACCOUNTANTS

(Firm Registration No. 509930C)

CA PRAMOD KUMAR AGARWAL

M.No. 084059

(PARTNER)

PLACE : DELHI

DATED : 31st July 2020

RATTAN SINGHANIA
Whole Time Director
DIN : 00147685

ALKA SHARMA
CFO

ARUN KUMAR GARG
DIRECTOR
DIN : 00161007

PRACHI GOEL
COMPANY SECRETARY

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020

1 Corporate information

The company is mainly dealing in stocks, securities and commodities and also sometime gives inter corporate loans and advances. The Company does not have any subsidiary or holding company.

2 Significant accounting policies

(1) Basis of preparation of financial statements

These standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 as amended under the Companies Act 2013 and under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, and on the basis of accounting principle of a going concern in accordance with generally accepted accounting principal (GAAP). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The financial statements are presented in Lakhs or decimal thereof unless otherwise specified.

(2) Revenue from operations

Interest Income

- a) Under Ind AS 109, Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at fair value through Profit and loss (FVTPL).

(3) Dividend Income

Dividend income is recognised when it is actually received

- a. When the right to receive the payment is established.
- b. it is probable that the economic benefits associated with the dividend will flow to the entity and
- c. the amount of the dividend can be measured reliably

(4) Taxes

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Current income taxes are recognized in profit or loss except to the extent that the tax relates to items recognized outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates position taken in the tax returns with respect to situations in which applicable tax regulations are subjected to interpretation and establishes provisions, where appropriate.

(5) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

(6) Property, plant and equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Depreciation

Depreciation is calculated as per the estimated useful life of assets prescribed by the Schedule II to the Companies Act 2013.

Derecognition of assets

An item of property plant & equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement when the asset is derecognised.

- (7) Trade Investments are the investments made to enhance the Company's business interests. All other investments other than trade investments are either classified as current or long-term, based on Management's intention at the time of purchase. Current investments are valued at lower of cost or Net Realised Value / Market Value Categorywise. Long term investments are valued at cost less permanent diminution, if any, of each investment.

(8) Intangible assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Derecognition of assets

An item of intangible asset and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement when the asset is derecognized.

- (9) Contingent Liabilities, if any are not provided for in the accounts and are shown separately in Notes on Accounts.
- (10) Under the previous Gaap, non-current investments were stated at cost or NRV whichever is lower where applicable, provision was made to recognise a decline, other than temporary, in valuation of such investments. Under IndAS, equity instrument [other than investment in subsidiaries, joint ventures and associates] have been classified as Fair Value through Profit /Loss (Retained Earnings) through an irrevocable election at the date of transition. Further, under previous GAAP, joint ventures were consolidated using 'proportionate consolidation' method. Under IndAS, joint ventures have been accounted using 'equity method'
- 3 Accounting Policies not specifically referred to or otherwise are consistent and in consonance with generally accepted accounting principles keeping in view IND-AS.
- 4 The Financial Statements have been prepared as per schedule III; Division III of the Companies Act 2013 following Companies (Indian Accounting Standard) Rules 2015 on NBFC. The company has adopted Indian Accounting Standards (IND-AS) with effect from 1st April 2019 and effective date of such transition is 1st April 2018. The results have been prepared in accordance with the Companies (Indian Accounting Standard) Rule, 2015 (INdAs) prescribed under section 133 of the Companies Act 2013 and other recognised accounting practices and policies to the extent applicable.
- 5 Information required pursuant to Schedule III Division III of the Companies Act 2013 and IND-AS have been given to the extent applicable to the activities of the company.
- 6 **Cash and cash equivalents**

| Particulars | Rs. in Lakhs | | |
|--|------------------------|------------------------|-------------------------|
| | As at 31-March-2020 | As at 31-March-2019 | As at 8 1-April-2018 |
| Cash on hand | 0.45 | 0.57 | 0.34 |
| Balances with banks (Current Accounts) | 48.12 | 17.91 | 9.25 |
| Total | 48.57 | 18.48 | 9.59 |

CAPITAL FINVEST LIMITED

7 Loans (at amortised cost)

Rs. in Lakhs

| Particulars | As at 31-March-2020 | As at 31-March-2019 | As at 1-April-2018 |
|--|------------------------|------------------------|-----------------------|
| (A) Loans | | | |
| Unsecured | 60.61 | 60.88 | 110.79 |
| Total (A)-Gross | 60.61 | 60.88 | 110.79 |
| Less: Impairment loss allowance | 0.00 | 0.00 | 0.00 |
| Total (A)-Net | 60.61 | 60.88 | 110.79 |
| (B) Others | | | |
| Total (B) | 0.00 | 0.00 | 0.00 |
| Total (A) + (B) | 60.61 | 60.88 | 110.79 |

8 Investments (At Fair Value)

Investment in Equity Shares designated at Fair Value through Comprehensive Income

| Particulars | As at 31-March-2020 | |
|---|---------------------|---------------|
| | At fair value | Total |
| (I) Equity instruments | | |
| i) Quoted | | |
| a) 4800 Equity Shares of Hindustan Unilever Limited* | 110.33 | 110.33 |
| b) 3000 Equity Shares of Oswal Chemicals and Fertilisers Limited* | 0.23 | 0.23 |
| ii) Unquoted | | |
| a) 3900 Equity Shares of Key Estates Private Limited @ INR 100/- per share | 5.56 | 5.56 |
| b) 3850 Equity Shares of Redecon Properties Private Limited @ INR 100/- per share | 6.38 | 6.38 |
| Total – Gross (A) | 122.50 | 122.50 |
| (i) Investments outside India | - | - |
| (ii) Investments in India | 122.50 | 122.50 |
| Total (B) | 122.50 | 122.50 |
| Less: Allowance for Impairment loss (C) | | |
| Total – Net D= (A)-(C) | 122.50 | 122.50 |

CAPITAL FINVEST LIMITED

Investments (At Fair Value)

Rs. in Lakhs

| Particulars | As at 31-March-2019 | |
|--|---------------------|---------------|
| | At fair value | Total |
| (I) Equity instruments | | |
| i) Quoted | | |
| a) 6000 Equity Shares of Hindustan Unilever Limited* | 102.40 | 102.40 |
| b) 3000 Equity Shares of Oswal Chemicals and Fertilisers Limited* | 0.47 | 0.47 |
| ii) Unquoted | | |
| a) 3900 Equity Shares of Key Estates Private Limited @ INR 100/- per share | 5.56 | 5.56 |
| b) 3850 Equity Shares of Redecon Properties Private Limited @ INR 100/- per share | 6.38 | 6.38 |
| Total – Gross (A) | 114.81 | 114.82 |
| (i) Investments outside India | - | - |
| (ii) Investments in India | 114.81 | 114.82 |
| Total (B) | 114.81 | 114.82 |
| Less: Allowance for Impairment loss (C) | | |
| Total – Net D=(A)-(C) | 114.81 | 114.82 |

Rs. in Lakhs

| Particulars | As at 31-March-2018 | |
|--|---------------------|---------------|
| | At fair value | Total |
| (I) Equity instruments | | |
| i) Quoted | | |
| a) 7200 Equity Shares of Hindustan Unilever Limited* | 96.00 | 96.00 |
| b) 3000 Equity Shares of Oswal Chemicals and Fertilisers Limited* | 0.78 | 0.78 |
| ii) Unquoted | | |
| a) 3900 Equity Shares of Key Estates Private Limited @ INR 100/- per share | 5.55 | 5.55 |
| b) 3850 Equity Shares of Redecon Properties Private Limited @ INR 100/- per share | 6.39 | 6.39 |
| Total – Gross (A) | 108.72 | 108.72 |
| | 0.00 | 0.00 |
| (i) Investments outside India | 0.00 | 0.00 |
| (ii) Investments in India | 108.72 | 108.72 |
| Total (B) | 108.72 | 108.72 |
| Total (A) to tally with (B) | | |
| Less: Allowance for Impairment loss (C) | | |
| Total – Net D=(A)-(C) | 108.72 | 108.72 |

CAPITAL FINVEST LIMITED

9 Other financial assets

Rs. in Lakhs

| Particulars | As at 31-March-2020 | As at 31-March-2019 | As at 8 1-April-2018 |
|---|------------------------|------------------------|-------------------------|
| Interest accrued but not due on Investments/ stock of securities | — | — | — |
| Trade receivables | 60.74 | 6.79 | 2.23 |
| Total | 60.74 | 6.79 | 2.23 |

10 Inventories

Rs. in Lakhs

| Particulars | As at 31-March-2020 | As at 31-March-2019 | As at 8 1-April-2018 |
|----------------|------------------------|------------------------|-------------------------|
| Stock in trade | 151.39 | 245.56 | 203.71 |
| | 151.39 | 245.56 | 203.71 |

11 (a) Tangible assets

Rs. in Lakhs

| Particulars | Car | Computer & Software | Total |
|-----------------------------------|--------------|------------------------|--------------|
| Cost | | | |
| As at March 31, 2018 | 16.48 | 1.64 | 18.12 |
| Additions | 0.00 | 0.61 | 0.61 |
| Disposals | 0.00 | 0.00 | 0.00 |
| As at March 31, 2019 | 16.48 | 2.25 | 18.73 |
| Additions | 0.00 | 0.31 | 0.31 |
| Disposals | 0.00 | 0.00 | 0.00 |
| As at March 31, 2020 | 16.48 | 2.56 | 19.04 |
| Accumulative Depreciation: | | | |
| As at March 31, 2018 | 7.31 | 1.54 | 8.85 |
| Additions | 1.96 | 0.21 | 2.17 |
| Disposals | 0.00 | 0.00 | 0.00 |
| As at March 31, 2019 | 9.27 | 1.75 | 11.02 |
| Additions | 1.96 | 0.21 | 2.17 |
| Disposals | 0.00 | 0.08 | 0.08 |
| As at March 31, 2020 | 11.23 | 2.04 | 13.27 |
| Net book value: | | | |
| As at March 31, 2019 | 7.21 | 0.50 | 7.71 |
| As at March 31, 2020 | 5.25 | 0.52 | 5.77 |

CAPITAL FINVEST LIMITED

(b) Intangible assets

| Particulars | MCX-Listing |
|-----------------------------------|-------------|
| Cost | |
| As at March 31, 2018 | 3.99 |
| Additions | 0.00 |
| Disposals | 0.00 |
| As at March 31, 2019 | 3.99 |
| Additions | 0.00 |
| Disposals | 0.00 |
| As at March 31, 2020 | 3.99 |
| Accumulative amortisation: | |
| As at March 31, 2018 | 3.13 |
| Additions | 0.66 |
| Disposals | 0.00 |
| As at March 31, 2019 | 3.79 |
| Additions | 0.00 |
| Disposals | 0.20 |
| As at March 31, 2020 | 3.99 |
| Net book value: | |
| As at March 31, 2019 | 0.20 |
| As at March 31, 2020 | 0.00 |

12 Provisions:

Rs. in Lakhs

| Particulars | As at 31st March 2020 | As at 31st March 2019 |
|-----------------|--------------------------|--------------------------|
| Expense Payable | 3.17 | 0.50 |
| Others | 0.00 | 0.00 |
| Total | 3.17 | 0.50 |

CAPITAL FINVEST LIMITED

13 (a) Equity Share capital

Equity shares

| Particulars | As at 31-March-2020 | | As at 31-March-2019 | | As at 31-March-2018 | |
|--|------------------------|-----------------------------|------------------------|-----------------------------|------------------------|-----------------------------|
| | Number of shares | Amount (Rs. in lakhs) | Number of shares | Amount (Rs. in lakhs) | Number of shares | Amount (Rs. in lakhs) |
| Authorized: | | | | | | |
| Equity shares of Rs. 10 each | 2,000,000 | 200.00 | 2,000,000 | 200.00 | 2,000,000 | 200.00 |
| Preference shares of Rs.100 each | | | | | | |
| | | 200.00 | | 200.00 | | 200.00 |
| Issued, subscribed and paid-up: | | | | | | |
| Equity shares of Rs. 10 each fully paid up | 2,000,000 | 200.00 | 2,000,000 | 200.00 | 2,000,000 | 200.00 |
| Compulsorily Convertible Preference shares of Rs. 100 each fully paid up | | | | | | |
| Total | | 200.00 | | 200.00 | | 200.00 |

Details of shareholders holding more than 5% equity shares in the Company on reporting date:

| Name of the shareholder | As at 31-March-2020 | | As at 31-March-2019 | |
|-----------------------------------|------------------------|-------------------------------|------------------------|-------------------------------|
| | Numbers of shares | Percentage of shareholding | Numbers of shares | Percentage of shareholding |
| Ashoka Industrials Resources Ltd. | 390000 | 19.50 | 390000 | 19.50 |
| Path Finders Private Limited | 341200 | 17.06 | 341200 | 17.06 |
| Ess Kay Mercantiles Limited | 189500 | 9.48 | 204500 | 10.23 |
| Svam Softwares Limited | 140000 | 7.00 | 140000 | 7.00 |
| Rattan Singhania | 158394 | 7.92 | 158394 | 7.92 |
| Saroj Singhania | 145000 | 7.25 | 145000 | 7.25 |

The reconciliation of the number of shares outstanding:

| Particulars | As at 31-March-2020 | As at 31-March-2019 |
|--------------------------------------|------------------------|------------------------|
| Shares at the beginning of the year | 2,000,000 | 2,000,000 |
| Shares at the end of the year | 2,000,000 | 2,000,000 |

CAPITAL FINVEST LIMITED

(b) Other equity

Rs. in Lakhs

| Particulars | As at 31-March-2020 | As at 31-March-2019 | As at 31-March-2018 |
|--|------------------------|------------------------|------------------------|
| Special reserve | | | |
| At the beginning of the year | 17.62 | 17.62 | 16.95 |
| Closing balance of special reserve (A)* | 17.62 | 17.62 | 16.95 |
| Security Premium Account | | | |
| At the beginning of the year | 15.45 | 15.45 | 15.45 |
| Closing balance of security premium account (B) | 15.45 | 15.45 | 15.45 |
| Retained earnings | | | |
| At the beginning of the year | 221.73 | 212.22 | 101.95 |
| Add: Net profit for the current year | (7.34) | 10.18 | 8.08 |
| Add: Unrealised gain on account of Fair valuation change | - | - | -103.79 |
| Less: Expenses incurred in relation to share capital | 0.00 | 0.00 | 0.00 |
| Add: Deferred tax on share issue expenses | 0.00 | 0.00 | 0.00 |
| Less: Dividend paid on CCPS | 0.00 | 0.00 | 0.00 |
| Less: Dividend distribution tax paid | 0.00 | 0.00 | 0.00 |
| Less: Transfer to reserve | 0.00 | 0.67 | 1.60 |
| Closing balance of retained earnings | 214.38 | 221.73 | 212.22 |
| Total | 247.45 | 254.80 | 244.62 |

*Special Reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 ("the RBI Act"). In terms of Section 45-1C of the RBI Act.

14 Interest income

Rs. in Lakhs

| Particulars | For the year ended 31 March 2020 | | | For the year ended 31 March 2019 | | |
|-----------------------|--|---|-------------|--|---|-------------|
| | On financial assets measured at amortised cost | Interest income on securities classified at fair value through profit or loss | Total | On financial assets measured at amortised cost | Interest income on securities classified at fair value through profit or loss | Total |
| Interest income | 0.00 | 5.40 | 5.40 | 0.00 | 5.78 | 5.78 |
| Other Interest Income | 0.00 | 0.03 | 0.03 | 0.00 | 0.00 | 0.00 |
| Total | 0.00 | 5.43 | 5.43 | 0.00 | 5.78 | 5.78 |

CAPITAL FINVEST LIMITED

Net gain/(loss) after fair value changes

Rs. in Lakhs

| Particulars | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|--|---------------------------------------|---------------------------------------|
| Net gain/(loss) on financial instruments at fair value (A) | | |
| -Stock of securities | (11.98) | 7.28 |
| Total (A) | (11.98) | 7.28 |
| Profit on sale of stock of securities (actual) | | |
| Net gain/(loss) on stock of securities due to fair value change (B) | | |
| -Profit / Loss on sale of long term investment (Net) | 3.75 | 5.17 |
| -Adjustment on account of fair valuation of investment | 28.17 | 22.11 |
| Total (B) | 31.92 | 27.28 |
| Total (A+B) | 19.94 | 34.56 |

Breakup of realised / unrealised gain/(loss)

Rs. in Lakhs

| | | |
|---|--------------|--------------|
| Total sale proceeds from investment | 24.23 | 21.17 |
| Less :- Cost of acquisition | (0.38) | (0.38) |
| Net gain | 23.85 | 20.79 |
| Less :- Adjustment on account of fair valuation of investment already recognised in last year | 20.10 | 15.62 |
| Net current year realised gain | 3.75 | 5.17 |
| Unrealised fair value change | 28.17 | 22.11 |
| Total current year gain | 31.92 | 27.28 |

15 Dividend Income

Rs. in Lakhs

| Particulars | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|------------------------------------|---------------------------------------|---------------------------------------|
| Dividend Income from equity shares | 4.48 | 6.09 |
| Total | 4.48 | 6.09 |

16 Employee benefits expenses

Rs. in Lakhs

| Particulars | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|-------------------------|---------------------------------------|---------------------------------------|
| Salaries and wages | 12.34 | 12.14 |
| Director's Remuneration | 15.60 | 14.40 |
| Staff welfare expenses | 0.28 | 0.32 |
| Total | 28.22 | 26.86 |

CAPITAL FINVEST LIMITED

17 Other expenses

Rs in Lakhs

| Particulars | 12.340 | 12.140 |
|--|-------------|-------------|
| Society's Common Maintenance Charges | 0.34 | 0.29 |
| Printing and Stationery | 0.51 | 0.69 |
| Communication Costs | 0.52 | 0.45 |
| Repairs and maintenance | 1.50 | 1.65 |
| Advertisement and publicity | 0.28 | 0.20 |
| Petty Office Expenses | 0.29 | 0.18 |
| Auditor's fees and expenses | | |
| -for audit fees | 0.18 | 0.18 |
| -for tax audit fees | 0.12 | 0.12 |
| Annual Listing Fee | 0.65 | 0.65 |
| Legal and Professional charges | 0.99 | 1.02 |
| Annual Service Contracts | 0.34 | 0.34 |
| Communication Costs | 0.24 | 0.27 |
| Director's fees, allowances and expenses | 0.12 | 0.18 |
| Miscellaneous expenditure | 0.65 | 0.66 |
| Total | 6.73 | 6.88 |

18 Depreciation and Amortisation Expenses

Rs in Lakhs

| | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|------------------------------|------------------------------|
| Depreciation of property, plant and equipment | 2.17 | 2.17 |
| Amortisation of intangible assets | 0.00 | 0.66 |
| Total | 2.17 | 2.83 |

19 Earning per share (EPS)

Earning Per Share (EPS) computed in accordance with Indian Accounting Standard (Ind AS) 33 issued by The Institute of Chartered Accountants of India:

| Particulars | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|--|---------------------------------------|---------------------------------------|
| Profit for the year, as per Statement of Profit & Loss (Rs. in Lakhs) | (7.34) | 10.18 |
| Weighted average number of equity shares for the purposes of basic/diluted earnings per share (in Nos) | 2000000 | 2000000 |
| Basic Earning Per share (Rs.) | (0.37) | 0.51 |
| Diluted Earning Per share (Rs.) | (0.37) | 0.51 |

CAPITAL FINVEST LIMITED

20 Details of Purchases & Sales

| Particulars | As on 31st March 2020 Rs. | As on 31st March 2019 Rs. |
|---------------|---------------------------------|---------------------------------|
| Opening Stock | 24555735.09 | 20371468.69 |
| Purchases | 10144615.48 | 25486953.19 |
| Sales | 18363101.44 | 22030947.80 |
| Closing Stock | 15139554.32 | 24555735.09 |

- 21 Expenses in foreign currency incurred during the year (Royalty, Knowhow, Professional and Consultation Fee, Interest and other) (Previous Year NIL) NIL
- 22 Remittance in foreign currency during the year (Previous YearNIL) NIL
- 23 Earnings in foreign exchange during the year (Previous YearNIL) NIL
- 24 Tax deducted at source on interest (Previous Year Rs. 57750/-) Rs. 54000/-
- 25 In the opinion of the Directors, Current Assets, loans and advances have the Value at which they are stated in the Balance Sheet, if realised in the ordinary course of business.
- 26 The company did not owe any sum to any micro, small and medium enterprises as on 31st March 2020.
- 27 Dividends received consist of Rs. 3,03,830/- from stock in trade (Previous year Rs. 4,57,439) and Rs. 1,44,000/- from Long Term Investments (Previous Year Rs.1,51,200).
- 28 The business activities of the company fall in one segment only; hence segment reporting as per AS-108 is not applicable and all the activities being in India, there is no separate reportable geographical segment.
- 29 Depreciation on tangible assets has been provided based on useful life prescribed in schedule II of the Companies Act 2013. Useful life of intangible assets has been taken as provided in Income Tax Rules.
- 30 Inventories have been valued at lower of cost or net realisable value / market value categorywise as required under ICDS.
- 31 Revenue from operations consist of trading income from securities, long term capital gains, dividends and interest income.
- 32 No provision has been made for the shortfall, if any, in respect of the cost value and the market value of long term investments as the Directors are of the opinion that diminution, if any, in value is not permanent.
33. First time adoption of IndAS
- i.) IndAS 101 (First-time Adoption of Indian Accounting Standards) provides a suitable starting point for accounting in accordance with IndAS and is required to be mandatorily followed by first-time adopters. The Company has prepared the opening Balance Sheet as per IndAS as of 1st April, 2018 (the transition date) by:
- recognising all assets and liabilities whose recognition is required by IndAS,
 - not recognising items of assets or liabilities which are not permitted by IndAS
 - reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to IndAS as required under IndAS, and
 - applying IndAS in measurement of recognised assets and liabilities

CAPITAL FINVEST LIMITED

ii.) Reconciliation of equity as reported under previous GAAP is summarized as follows :

| Particulars | as at 01/04/2018 (date of transition) | as at 31/03/19 (end of last period presented under previous gaap) | as at 31/03/20 (end of last period presented under previous gaap) |
|---|--|--|--|
| Equity as reported under previous GAAP attributable to | | | |
| Hind Uni Lever Ltd. | 2.28 | 80.00 | 81.92 |
| Oswal Chem and Fert. Ltd. | 0.71 | 0.78 | 0.47 |
| Key Estates (P) Ltd. | 0.78 | 5.55 | 5.56 |
| Redecon Properties (P) Ltd. | 1.16 | 6.39 | 6.38 |
| TOTAL | 4.92 | 92.72 | 94.33 |

| | | | |
|--|---------------|---------------|---------------|
| Impact of measuring Investment at fmv through OCI | 103.79 | 22.11 | 28.17 |
| Hind Uni Lever Ltd. | 96.00 | 102.40 | 110.33 |
| Oswal Chem and Fert. Ltd. | 0.78 | 0.47 | 0.23 |
| Key Estates (P) Ltd. | 5.55 | 5.56 | 5.56 |
| Redecon Properties (P) Ltd. | 6.39 | 6.38 | 6.38 |
| TOTAL | 108.72 | 114.81 | 122.50 |

34 No provision has been made for the shortfall, if any, in respect of the cost value and the market value of long term investments as the Directors are of the opinion that diminution, if any, in value is not permanent.

35 There is no direct impact of the COVID -19 pandemic on the financial statements of the company. Indirectly it has created volatility in the capital markets where the company operates and the prices of the stocks have come down substantially resulting into loss but it is not possible to attribute or assign a figure due to the impact of pandemic but it did not affected it as a going concern.

36 There is no tax liability as the year has ended into loss.

37 Other than salaries, no other benefits were provided to employees.

38 **Related party disclosures**

Names of related parties and related party relationship

Key Management personnel

Details of Key Managerial personnel are as under :

| Name of key persons | |
|---------------------|-------------------------|
| Rattan Singhania | Director - Whole Time |
| Lalit Kumar | Director |
| Arun Kumar Garg | Director |
| Neeta Goel | Director |
| Prachi Goel | Company Secretary |
| Alka Sharma | Chief Financial Officer |

CAPITAL FINVEST LIMITED

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year :

| i). Key Management Personnel | Rs. In Lakhs | Rs. In Lakhs |
|---|----------------------|----------------------|
| | As at 31s March 2020 | As at 31s March 2019 |
| Remuneration paid to Key Management Personnel | | |
| Remuneration to Rattan Singhania | 15.60 | 14.40 |
| Remuneration to Alka Sharma | 5.32 | 4.90 |
| Remuneration to Juhi Mathur | 1.08 | 2.16 |
| Remuneration to Prachi Goel | 0.40 | 0.00 |
| Director Meeting Fee to Lalit Kumar | 0.04 | 0.06 |
| Director Meeting Fee to Arun Kumar Garg | 0.04 | 0.06 |
| Director Meeting Fee to Neeta Goel | 0.04 | 0.06 |

39 Previous year figures

Previous year figures have been regrouped/ reclassified wherever necessary to conform to the requirements prescribed under Division III of Schedule III to the Companies Act, 2013

AS PER OUR REPORT OF EVEN DATE

FOR SRDP & CO.

CHARTERED ACCOUNTANTS

(Firm Registration No. 509930C)

CA PRAMOD KUMAR AGARWAL

M.No. 084059

(PARTNER)

PLACE : DELHI

DATED : 31st July 2020

RATTAN SINGHANIA
Whole Time Director
DIN : 00147685

ALKA SHARMA
CFO

ARUN KUMAR GARG
DIRECTOR
DIN : 00161007

JUHI MATHUR
COMPANY SECRETARY

PROXY FORM

Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014

CAPITAL FINVEST LIMITED

**Registered Office: 1002, Arunachal, 19 Barakhamba Road, New Delhi -110 001.
Tel. No. +91-11 23315050, 23718585, Email id : capital89@yahoo.com
CIN: L67120DL1983PLC016575**

Name of the Member

Registered address

E-mail Id:

Folio No/

DP ID- Client ID

I/We, being the member of _____ Shares of above mentioned company hereby appoint:

Name

Address

E-mail Id:

Signature

Or failing him / her

Name

Address

E-mail Id:

Signature

Or failing him / her

Name

Address

E-mail Id:

Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, 30th September, 2020 at 11.00 A.M. at the registered office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Resolutions | Optional refer note 3 below | |
|--------------------------|--|--------------------------------|---------|
| | | For | Against |
| Ordinary Business | | | |
| 1 | Adoption of Financial Statements and the Reports of the Board of Directors and Auditors thereon for the financial period ended on March 31, 2020 | | |
| 2. | Re-appointment of Shri Lalit Kumar who retires by rotation | | |
| 3. | Ratification of Auditors | | |
| Special Business | | | |
| 4. | Reappointment of Smt. Neeta Goel as Independent Director of the Company | | |
| 5. | Reappointment of Shri Rattan Singhania as Wholetime Director of the Company. | | |

Signed this day of 2020.



Signature of the Member

Signature of the Proxy Holder(s)

Note:-

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' and 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she think appropriate.
4. Please complete all details including detail of member(s) in above box before submission.

If undelivered, please return to :

CAPITAL FINVEST LIMITED

**1002, Arunachal,
19 Barakhamba Road,
New Delhi -110 001.**