

2014-15
**STRIDING
AHEAD**

BUILDING ON A STRONG FOUNDATION

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OUR VISION

**TO BE A LEADING FINANCIAL
SERVICES PROVIDER, ADMIRER
AND RESPECTED FOR ETHICS,
VALUES AND CORPORATE
GOVERNANCE**

**CAPITAL FIRST LIMITED IS
A NBFC WITH A RECORD OF
CONSISTENT GROWTH AND
PROFITABILITY.**

**THE COMPANY IS FOCUSSED
ON PROVIDING FINANCIAL
SERVICES TO RETAIL AND
MSME CUSTOMERS.**

**THE COMPANY HAS FINANCED
OVER 1.4 MILLION CUSTOMERS
INCLUDING 6,00,000+ MSMEs
TILL DATE.**

KEY INDICATORS

79.97
Billion

Disbursement (for FY15)



22.39 Billion

Total Capital (as of March 31, 2015)
(Tier 1 + Tier 2)



AA+

Credit Rating
(as of March 31, 2015)



119.75
Billion

AUM (as of March 31, 2015)



23.44%*

Capital Adequacy Ratio
(as of March 31, 2015)



222

Locations
(as of March 31, 2015)



0.69%

Gross NPA

(as of March 31, 2015)



0.17%

Net NPA



ISO 27001

Certification for Information
Security Management
System



1070

Employees
(as of March 31, 2015)

*Post distribution of dividend for FY15

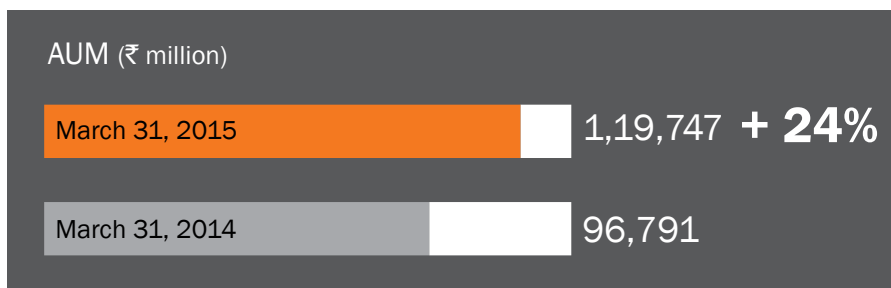
CHAIRMAN'S ADDRESS



DEAR STAKEHOLDERS,

I am happy to present to you the Annual Report of your Company for FY15. The FY 2014-15 started on an anxious note for India, because of uncertainty about the impending national elections and the possible electoral combination. If any year is to be called a watershed year for India in its recent political history, it has to be 2014, with the NDA securing 336 seats to achieve unprecedented victory. Tensions eased, and hopes soared in India. With a stable government at the Centre, a number of progressive initiatives were announced in the succeeding months and the overall mood of consumers and the business community in India lifted. The country looks forward to accelerated economic growth from hereon.

Natural outcome of accelerated economic growth will be a rise in demand for finance from both the customer segments that the Company caters to – Consumer Finance and MSMEs. An economic revival inevitably translates into more jobs and therefore more purchasing power and purchase intentions. Small and Medium Enterprises experience the positive impact



over

1.4 million

customers financed



of economic growth, as they witness greater demand from their customers. Further, after a long pause, the RBI has started reducing rates, albeit cautiously. As I look ahead, further reduction in interest is only a matter of time, and this factor, coupled with a growing economy will lead to great times for India in the years to come.

At the Company level, there were many exciting development during the year including expansion and strengthening of all our businesses. But the jewel achievement of the year was the QIP raised by the Company for an amount of ₹ 3,000 million. I am delighted to share that marquee international and domestic financial institutions, such as Goldman Sachs Asset Management, Birla Asset Management and HDFC Standard Life participated in the issue and are now shareholders of the Company. This corporate action has increased our capital adequacy to 23.44% which is among the highest in the Financial Services Industry and has greatly enhanced

our Financial strength and set the stage for continued growth in future years.

I am happy to share with you that the loan book of the Company has grown by 24% from ₹ 96.79 billion (₹ 9,679 Crores) in FY14 to ₹ 119.75 billion (₹ 11,975 Crores) by the end of FY15. The NII has grown faster at 58% to ₹ 5,363 million in FY15 from ₹ 3,394 million in FY14. The total income too grew 56% to ₹ 6,588 million in FY15 from ₹ 4,222 million in FY14. Against the backdrop of such growth in assets and income, the operating expenses grew by 24% in FY15 over FY14. The PBT grew by 182% from ₹ 590 million in FY14 to ₹ 1,663 million in FY15. I am confident that the Company will continue to grow its business at compounded rate and such growth will translate in a disproportionate increase in bottom-line growth as well.

I am pleased to share with you that the retail business as a proportion

of the loan book has increased from 81% in March 2014 to 84% in March 2015, thereby leading great stability to the Company's asset quality. If you study carefully, you will notice that the Company has been consistent in this approach since past 5 years and has stuck to the overall strategy to build a unique retail financial services institution. I am further delighted to inform you that we have now financed over 1.4 million customers, including more than 6,00,000 MSME customers till date.

I am proud to inform that your Company has one of the best asset qualities in the financial services industry. The Gross NPA and Net NPA have remained low for last many years and continue to remain low at 0.69% and 0.17%, respectively. We are confident that your Company will continue to maintain high asset quality in the years to come as compared to industry benchmark.

Profit Before Tax (₹ million)

March 31, 2015	1,663	+182%
March 31, 2014	590	

Your Company's subsidiary Capital First Home Finance Private Limited (CFHFPL) received a license from the National Housing Bank (NHB) for commencement of Housing Finance Business during FY14.

Your Company continues to enjoy a high long-term credit rating of AA+ on its debt instruments, which is among the highest ratings in the financial services industry. The Company also enjoys a short-term credit rating of A1+ which is the highest rating available for this category. Your Company has diversified lines of credit from 108 reputed institutions including banks, mutual funds, provident, pension, superannuation and gratuity funds and insurance companies including LIC and GIC of India. We are happy to inform that the financial markets rewarded your Company with highly competitive rates based on excellent business operations of the Company.

Your Company's subsidiary Capital First Home Finance Private Limited (CFHFPL) received a license from the National Housing Bank (NHB) for commencement of Housing Finance Business during FY14. As on March 31, 2015, the loan book size has grown to ₹ 2,287 million.

During FY15, your Company has taken several steps towards making efficient and robust operating systems to provide a platform for growth and to provide world class customer service for our customers, including the investment in quality processes, contemporary IT application systems and strong security frameworks. We further invested in our human capital and emphasised on a culture of performance, meritocracy and ethics.

It was a matter of great honour for the Company that Mr. Timothy Geithner, former Secretary of the U.S. Department of the Treasury, who is renowned for guiding the US through the global economic crisis 2008-09, visited your Company during this financial year accompanied by Mr. Charles Kaye, Co-Chief Executive Officer at Warburg Pincus. This was a crowning moment of glory for your Company.

Total Income (₹ million)



I thank each and every employee for their sincere dedication, commitment and extreme hard work, all through the year. I thank every financial institution for reposing their faith in us and regulators for their constant support.

I would also like to thank all our Directors for their invaluable guidance and encouragement, which have been critical for the success of the Company. Most of all, I sincerely thank each and every shareholder for

your unflinching support and trust to the Company. Finally, I would like to welcome the new shareholders of the Company who subscribed to the QIP and assure all shareholders that we will make every effort to honour your trust by running the Company with great ethics, integrity and honesty.

Thank you!

With Best Wishes

V. Vaidyanathan

It was a matter of great honour for the Company that Mr. Timothy Geithner, former Secretary of the U.S. Department of the Treasury, who is renowned for guiding the US through the global economic crisis 2008-09, visited your Company during this financial year.



BOARD OF DIRECTORS



NARENDRA OSTAWAL
Non-Executive Director

He is the Managing Director of Warburg Pincus India Private Limited.

Earlier, he has worked with 3i India Private Limited (part of 3i Group PLC, UK) and McKinsey & Company.

He holds a Chartered Accountancy degree from ICAI and an MBA from IIM, Bangalore.

He has 13 years of experience in consulting and private equity segment.

VISHAL MAHADEVIA
Non-Executive Director

He is the Managing Director & Co-Head, Warburg Pincus India Private Ltd.

Previously, he has worked with Greenbriar Equity Group, Three Cities Research, Inc., and McKinsey & Company.

He is a B.S. in Economics with a concentration in finance and a B.S. in Electrical Engineering from the University of Pennsylvania.

He has 21 years of experience in Corporate sector across the globe.

M.S. SUNDARA RAJAN
Independent Director

Former Chairman & Managing Director of Indian Bank.

He is a Post Graduate in Economics from University of Madras with specialisation in Mathematical Economics, National Income and Social Accounting.

He has a total experience of over 39 years in the Banking Industry.

N.C. SINGHAL
Independent Director

Former Vice Chairman & Managing Director of SCICI Ltd. (Since merged with ICICI Ltd.)

He holds Post Graduate qualifications in Economics, Statistics and Administration and was awarded the United Nations Development Programme Fellowship for Advanced Studies in the field of Project Formulation and Evaluation, in Moscow and St. Petersburg.

He has 55 years of experience in Corporate sector.



V. VAIDYANATHAN

Chairman and Managing Director

He secured USD 150 mn backing from Warburg Pincus to form Capital First as a new entity.

He was earlier the Managing Director & CEO of ICICI Prudential Life Insurance Ltd. and Executive Director on the Board of ICICI Bank Ltd. He has received a number of Domestic and International awards for his achievements in financial services in India.

He is an alumnus of Birla Institute of Technology and Harvard Business School.

He has 24 years of experience in financial sector.

DR. (MRS.) BRINDA JAGIRDAR

Independent Director

Former Chief Economist of State Bank of India.

She is an independent consulting Economist with specialisation in areas relating to the Indian economy and financial intermediation.

She is a Ph.D in Economics, University of Mumbai, M.S. in Economics from the University of California at Davis, USA, MA in Economics from Gokhale Institute of Politics and Economics, Pune and BA in Economics from Fergusson College, Pune.

She has over 35 years of experience in banking industry.

DINESH KANABAR

Independent Director

Former Deputy CEO of KPMG in India and Chairman of its Tax practice. Presently, he is the CEO of Dhruva Advisors LLP. He has handled some of the biggest tax controversies in India and has advised on complex structures for both inbound and outbound investments.

He is a Fellow Member of the ICAI.

He has over 25 years of experience advising some of the largest multinationals in India.

HEMANG RAJA

Independent Director

Former Managing Director & CEO of IL&FS Investsmart Ltd.

He has served on the executive committee of the Board of the National Stock Exchange of India Limited and also served as a member of the Corporate Governance Committee of the BSE Limited.

He is an MBA from Abilene Christian University, Texas, with a major emphasis on finance and an Alumni of Oxford University, UK.


He has a vast experience of over 35 years in financial services.

SENIOR MANAGEMENT TEAM



APUL NAYYAR
CEO - RETAIL & SME
BUSINESS

Apul is a qualified Chartered Accountant and has a rich experience spanning nearly 19 years having worked with distinguished names in the banking and financial services industry.



NIHAL DESAI
CHIEF RISK OFFICER

Nihal is a B.E. (Computer Science and Technology) & MBA (Finance) and has 21 years of experience in leadership positions in financial services and IT industry.



PANKAJ SANKLECHA
CHIEF FINANCIAL
OFFICER & HEAD -
CORPORATE CENTRE

Pankaj is a qualified Chartered Accountant and has 20 years of rich experience in Retail and Small & Medium Enterprises Banking.



ADRIAN ANDRADE
HEAD - HUMAN
RESOURCE AND
ADMINISTRATION

Adrian brings to the table over 27 years of valuable experience spanning the various segment in the HR domain at various multinational banks.

STRIDING AHEAD WITH HUMAN CAPABILITIES

**HUMAN CAPITAL AND THE CAPABILITIES OF THE TEAM BECOMES
THE MOST IMPORTANT DIFFERENTIATOR IN OUR BUSINESS**



Acknowledging & Celebrating Excellence at the ACE Awards Nite 2014-15

STRIDING AHEAD WITH HUMAN CAPABILITIES



Top performers receiving awards for their performances

STRIDING AHEAD WITH HUMAN CAPABILITIES



A sense of togetherness and pride among employees of the Company

IMPORTANT VISITORS TO OUR OFFICE THIS YEAR



Mr. Timothy Geithner - Former Secretary of the U.S. Department of the Treasury signing his book 'Street Test' as Mr. V. Vaidyanathan looks on



Mr. Timothy Geithner along with Mr. Charles Kaye at Capital First boardroom

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. V. Vaidyanathan

Chairman & Managing Director
DIN - 00082596

Mr. N. C. Singhal

Independent Director
DIN - 00004916

Mr. Vishal Mahadevia

Non-Executive Director
DIN - 01035771

Mr. M. S. Sundara Rajan

Independent Director
DIN - 00169775

Mr. Hemang Raja

Independent Director
DIN - 00040769

Dr. (Mrs.) Brinda Jagirdar

Independent Director
DIN - 06979864

Mr. Dinesh Kanabar

Independent Director
DIN - 00003252

Mr. Narendra Ostawal

Non-Executive Director
DIN - 06530414

CHIEF FINANCIAL OFFICER & HEAD - CORPORATE CENTRE

Mr. Pankaj Sanklecha

HEAD - LEGAL, COMPLIANCE AND COMPANY SECRETARY

Mr. Satish Gaikwad

INVESTOR RELATIONS

Mr. Saptarshi Bapari

LIST OF BANKING RELATIONSHIPS & SUBSCRIBERS TO DEBT ISSUES

Allahabad Bank
Andhra Bank
Bank of India
Bank of Maharashtra
BOI AXA Mutual Fund
Canara Bank
Central Bank of India
Corporation Bank
Dena Bank
Deutsche Bank
Franklin Templeton Mutual Fund
GIC of India
Gratuity Funds
HDFC Bank
IDBI Bank
IDBI Mutual Fund
Indian Overseas Bank
LIC of India
Oriental Bank of Commerce
Pension Funds
Pramerica Mutual Fund
Provident Funds
Punjab and Sind Bank
Punjab National Bank
Religare Invesco Mutual Fund
SBI Mutual Fund
State Bank of Bikaner & Jaipur
State Bank of India
Superannuation Funds
Syndicate Bank
Union Bank of India
Union KBC Mutual Fund
United Bank of India
UTI Mutual Fund
Vijaya Bank

STATUTORY AUDITORS

M/s. S.R. Batliboi & Co. LLP,
Chartered Accountants
(ICAI Firm Registration No. 301003E)

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, LBS
Marg, Bhandup (West), Mumbai - 400 078.
Tel. No.: +91 22 2594 6970
Fax No.: +91 22 2594 6969
E-mail: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

DEBENTURE TRUSTEE

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai - 400 001.
Tel. No.: +91 22 4080 7000
Fax No.: +91 22 6631 1776
E-mail: kunal.antani@idbitrustee.com
Website: <http://www.idbitrustee.co.in>

Capital First Limited

15th Floor, Tower - 2,
Indiabulls Finance Centre, Senapati Bapat
Marg, Elphinstone, Mumbai - 400 013,
Maharashtra.
Tel. No.: +91 22 4042 3400
Fax No.: +91 22 4042 3401
E-mail: secretarial@capfrst.com
Website: www.capfrst.com
CIN : L29120MH2005PLC156795

MANAGEMENT DISCUSSION AND ANALYSIS

The year 2014 has been a landmark year in the history of Indian Politics as the new NDA government came into power and formed the government with sweeping majority.

The magnitude of the mandate has ignited hopes that the new government would be able to implement reforms for greater growth in the future. The first quarter of FY15 saw a surge in investor sentiments that was triggered by the ascent to power of the NDA.

The new government presented the Budget for the FY15-16 which focussed on growth, weaker sections and social security and at the same time, fiscal responsibility was maintained. A bulk of the Budget spending was directed towards infrastructure rather than consumption and subsidies and, as

a result, the quality of the deficit has improved too. Some proposals that will drive growth include investments worth ₹ 7,00,000 million in infrastructure and the roadmap for constructing six crore houses. At the same time, stated investments for one lakh kilometres of roads will contribute towards hastening development. Towards augmenting financial inclusion, the government launched the Pradhan Mantri Jan-Dhan Yojana (PMJDY) in August 2014, a scheme which envisages universal access to banking facilities with at least one basic banking account for every household, financial literacy and access to credit and insurance. During the year, the government also tried to give a fillip to MSME sector, which contributes to 37.5% of the country's GDP, through various programmes, including the Prime Minister's Employment Generation Programme,

Micro and Small Enterprises-Cluster Development Programme, Credit Guarantee Fund Scheme for Micro and Small Enterprises, Performance and Credit Rating Scheme, Assistance to Training Institutions, and Scheme of Fund for Regeneration of Traditional Industries, amongst others. The Economic Survey acknowledged that these 36.1 million entities have a critical role in boosting industrial growth and ensuring the success of the 'Make in India' programme.

Riding on the wave of optimism, growth picked up during FY15, according to figures released by the Economic Survey, which pointed out that the service sector, particularly financing, insurance, real estate and business services have been the most dynamic sectors in the economy in recent

years. The improvement in the macro-economic parameters was evident as the GDP growth picked up after past 2 years of poor results. During FY14, the GDP growth was well below 5% and has shown recovery from the first quarter of FY15 where the GDP growth rate moved to 5.7%. The World Bank has estimated that the GDP growth for India for the year FY15-16 would be around 7.5%, as per the new series of calculating GDP (part GDP data not comparable).

The measures and policies taken by the RBI have controlled the inflation in India. In April 2014, the CPI was at 8.48% which has been come down significantly after the new Government has been formed at the Centre. During the latter half of the FY15, the CPI has been maintained well below

5.5%. This has been a significant achievement which has impacted the common man positively.

On the monetary front, the RBI kept policy rates unchanged until December 2014, despite easing in inflationary trends. The central bank later cut repo rates twice, by a total of 50 basis points, bringing it down to 7.50% and signalling a softening in its monetary policy stance. Despite this initiation of monetary easing, the real impact will be seen over the next 12 months as it translates into lower interest rates. The RBI clarified that the major determinants of further rate cuts would be the transmission of the rate reductions and food inflation. Nevertheless, interest rates are bound to continue to trend downwards as inflation has come down significantly

and steadily and the CAD, fiscal deficit and oil are under control.

Looking ahead, it appears that the economy is headed for an upcycle of growth as interest rates are trending downward and inflation has been reigned in. These macro indicators, coupled with buoyant business and consumer sentiments bode well for the near-term future of the economy.

PERFORMANCE AND POLICIES OF THE NBFC SECTOR

AFTER A PERIOD OF SUBDUED ECONOMIC GROWTH DURING THE PAST TWO YEARS, NBFCs ARE WITNESSING AN UP-TICK, BOTH IN TERMS OF DEMAND AS WELL AS IN FUND FLOWS.

This has resulted in healthier competition among companies within the sector. The asset base of the NBFC sector stood at ₹ 1,27,01,000 million in FY14, and represents 14.3% of banking assets in FY14.

According to a report titled 'NBFC Sector – Trends, Regulatory Framework and Way Forward' by CARE Ratings, the Capital Adequacy Ratio (CAR) for the NBFC sector is comfortable both on a Total CAR as well as on a Tier I CAR basis. However, the profitability of companies in the sector has been impacted on account of the past slowdown in economic growth, which also impacted NBFCs' asset quality. Nevertheless, the resource profile of NBFCs continues to be stable with around 34% of total borrowing coming from capital market sources including NCDs, subordinated debt, preference shares, etc and 31% from bank funding.

Policy initiatives during FY15 that impact NBFCs in general:

- The RBI circulated new norms for the sector, titled 'Revised Regulatory Framework for NBFCs' on November 10, 2014. These were aimed at strengthening the structural profile of NBFCs and, at the same time, safeguarding the interests of the depositors.
- The rules related to minimum net owned funds were tightened and the deposit acceptance ratio, capital norms, asset classification rules and corporate governance norms were made more stringent.
- Budget 2015-16 proposed that NBFCs with assets of ₹ 5,000 million and above will be treated as financial institution under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act 2002. This initiative will bring about parity in regulation for NBFCs registered with the RBI and other financial institutions, in matters relating to recovery.
- With respect to lending against shares, NBFCs are now required to maintain an LTV ratio of 50% and accept only Group 1 securities (specified by SEBI) as collateral for loans with values of more than ₹ 5 lakh, subject to review. Further, all NBFCs with asset sizes of ₹ 1,000 million and above are required to report on-line to stock exchanges, information on the shares pledged in their favour, by borrowers availing loans.
- The RBI has accredited SME Rating Agency of India Ltd. (SMERA) as an 'approved credit rating agency' for the purpose of rating fixed deposits of NBFCs. Accordingly, NBFCs may also use the ratings of SMERA for the purpose of rating their Fixed Deposits. The Minimum Investment Grade Rating for Fixed Deposits is "SMERA A".
- The central bank has modified regulations regarding raising money by NBFCs through Private Placement of Non-Convertible Debentures (NCDs) in February 2015.
- Provisioning of doubtful assets – In July 2014, the RBI released a circular outlining prudential norms on income recognition, asset classification and provisioning pertaining to advances.

BUSINESS OVERVIEW

CAPITAL FIRST IS A NON-BANKING FINANCE COMPANY IN INDIA, LISTED ON THE NSE AND BSE, WITH A RECORD OF CONSISTENT GROWTH & PROFITABILITY. THE COMPANY IS A LEADING FINANCIAL SERVICES PROVIDER, ADMIRER FOR ITS HIGH LEVEL OF CUSTOMER SERVICE, AND RESPECTED FOR ETHICS, VALUES AND IMPECCABLE CORPORATE GOVERNANCE.

The Company also provides financing to salaried customers, which is a growing category in India because of increasing affluence, growing aspirations and favourable demographics. Capital First has a comprehensive product suite to meet the multiple financial needs of its customers. Till date, the Company has financed more than 1.4 million customers, including more than 6,00,000 MSMEs. The Company has a strong distribution setup across India covering customers at 222 locations, with an employee base of 1070 as on March 31, 2015.

The Company provides finance to its customers with the help of contemporary scoring solutions and sophisticated technology. The Company, through its extensive reach, provides essential debt capital to MSMEs in a quick, affordable and convenient manner. The Company is among the significant providers of such debt finance to MSME customers.

As at March 31, 2015, its total retail AUM was ₹ 101,131 Mn, which constituted 84% of its total AUM of ₹ 119,747 Mn compared to the same

being at 10% as at March 31, 2010. The Company undertook numerous initiatives and corporate actions to support its strategy for building a retail finance franchise.

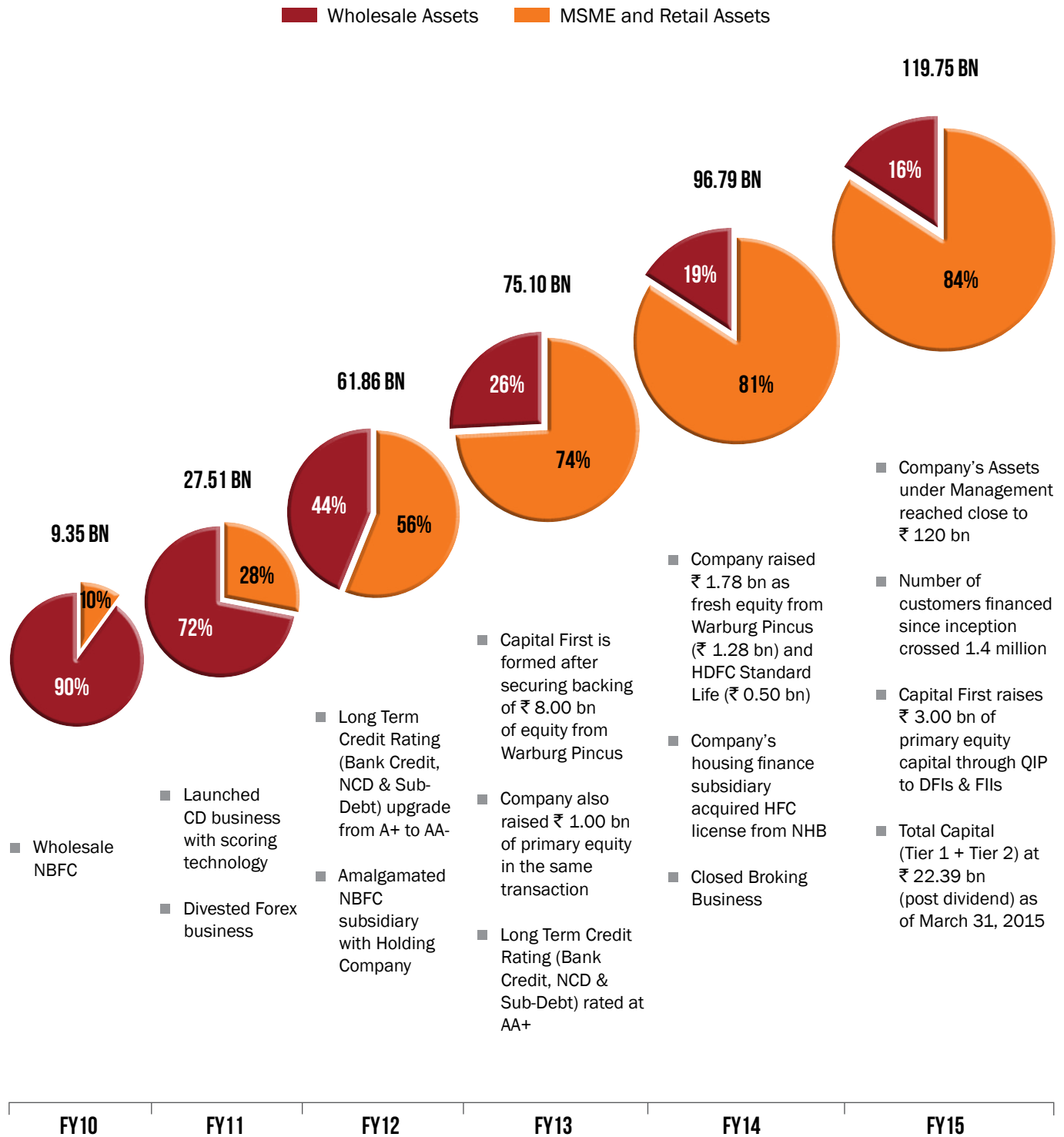
For large ticket transactions, the Company evaluates the application based on their cash flow analysis, previous credit behaviour and other diligence checks which enable the Company to assess their repayment capabilities. These loans are generally secured against collateral of residential or commercial property.

The Company also provides financing to retail consumers for the purchase of new two-wheelers. These loans are generally availed by micro-entrepreneurs and salaried employees. Capital First provides financing for digital appliances, white goods and home appliances. Loans for digital appliances like laptops, tablets, smartphones and printers, are usually availed by micro-entrepreneurs and loans for home appliances, like air conditioners, refrigerators, washing machines and televisions are usually availed by salaried consumers.

The Company currently provides wholesale loans on a selective basis to corporate customers, primarily to real estate developers, against the security of underlying assets. These transactions are usually supported by escrow of the project cash flows.

In addition to lending, which is the Company's mainstay business, the Company is a corporate agent for distributing life insurance products and general insurance products with reputed insurance companies in India.

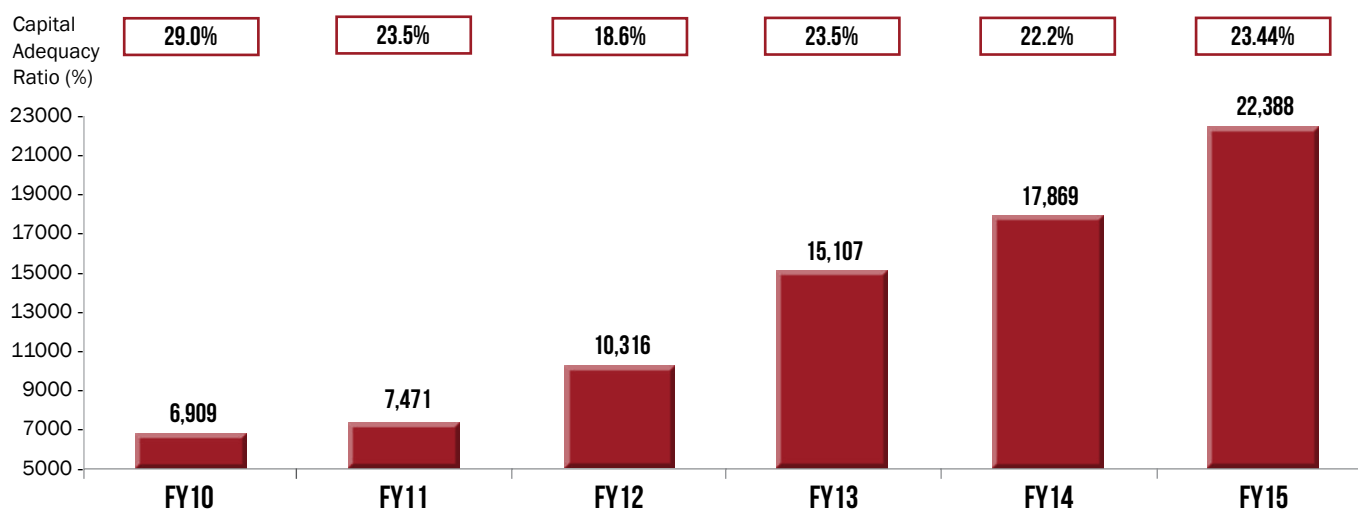
Loan Portfolio Composition from FY10 to FY15 with AUM



RAISING OF FRESH EQUITY CAPITAL VIA QIP ROUTE

IN MARCH 2015, THE COMPANY HAS RAISED FRESH EQUITY OF ₹ 3,000 MILLION BY WAY OF A QIP (PLACEMENT TO QUALIFIED INSTITUTIONAL BIDDERS).

Total Capital (₹ mn)



Total Capital includes Network of the Company, Perpetual Debt and Sub-Debt raised by the Company. The network increased from ₹ 11.71 bn to ₹ 15.74 bn

Marquee international and domestic financial institutions such as Goldman Sachs Asset Management, Birla Asset Management and HDFC Standard Life participated in the QIP process and are now shareholders of the Company.

The Company allotted 50.9% of the fresh equity to Domestic Institutional Investors, and 49.1% of the fresh issuance to reputed Foreign Institutional Investors.

The proceeds from this recent equity issue have increased the total capital of the Company. The total capital of the Company has increased from ₹ 6.91 billion as on March 31, 2010 to ₹ 22.39 billion as on March 31, 2015, which includes ₹ 17.64 billion of Tier-1 capital.

The Company has generally maintained its capital adequacy ratio at well above

20% over the last 5 years. Post the Company's recent raising of equity capital of ₹ 3,000 million through the QIP route in March 2015, the total capital adequacy of the Company has increased to 23.44% as of March 31, 2015. This would provide excellent support for further growth plans of the Company.

PORTFOLIO PERFORMANCE

THE COMPANY HAS BUILT STRONG CHECKS AND CONTROLS IN THE CREDIT APPROVAL PROCESSES.

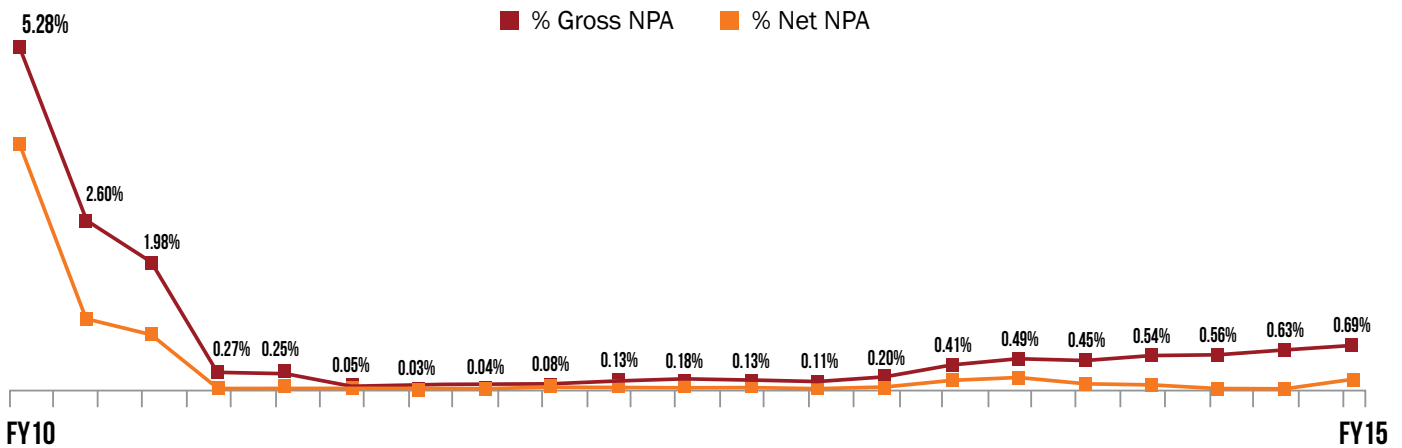
One of the key controls of the Company is that the credit policy division, origination team, credit administration (implementation), operations, and collections are independent verticals and, therefore, function independently. This ensures that there are proper checks and balances at all levels. Further, the Company has implemented a number of scoring solutions to track the performance of the portfolio by various categories and deciles. This enables the Company to take corrective action to constantly

improve and fine tune the lending criteria. The ability of the Company to lend as per pre-defined criteria and monitor the portfolio on a timely basis is one of the significant competitive advantages enjoyed by the firm.

The loan book of the Company is of high quality and the Gross NPA of the Company stood at 0.69% and the Net NPA was low at 0.17% as of FY15. Consequent to the growth of the Company in retail lines of businesses, the NPA of the

Company has continuously stayed low over a 5-year period because of the diversified nature of lending, strong evaluation of cash flows at the time of lending, strong appraisal systems, and automated collection systems. The Gross NPA have been in the range of 40 to 70 bps and the Net NPA have been in the range of 10 to 20 bps over the years. The Company has been able to maintain its low NPA levels as shown below, even during the tough economic scenarios and downturns in India.

NPA (%)

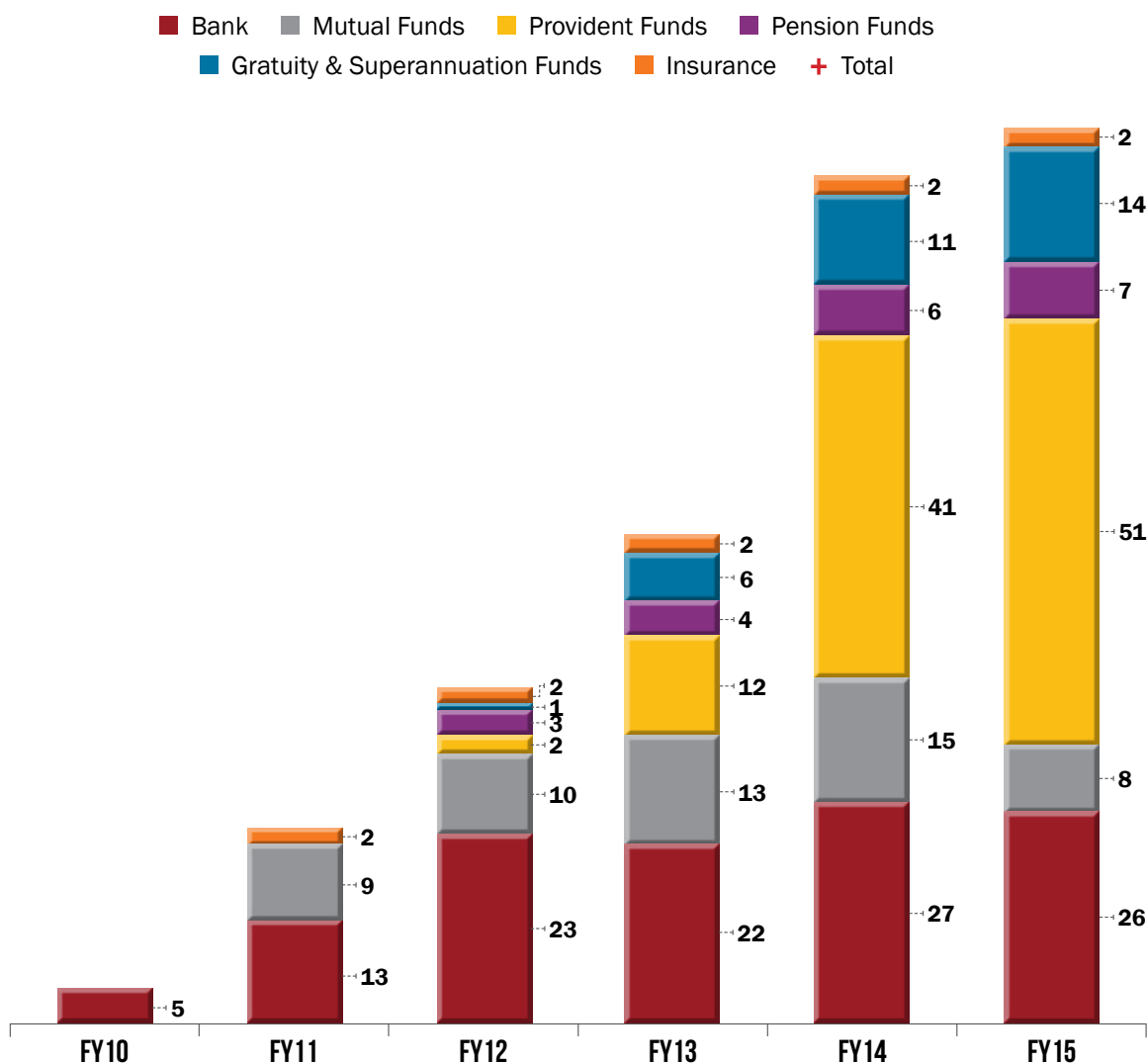


RESOURCES & LIABILITIES

CAPITAL FIRST RAISES FUNDS AT ATTRACTIVE AND COMPETITIVE RATES, WHILE DIVERSIFYING THE LINES OF CREDIT.

The Company has continuously increased its access to a wide range of funding options. The Company enjoys diversified Lines of Credit from 108 different institutional relationship, including banks, mutual fund, superannuation funds, provident funds and gratuity funds in FY15.

No. of Institutions providing Lines of Credit



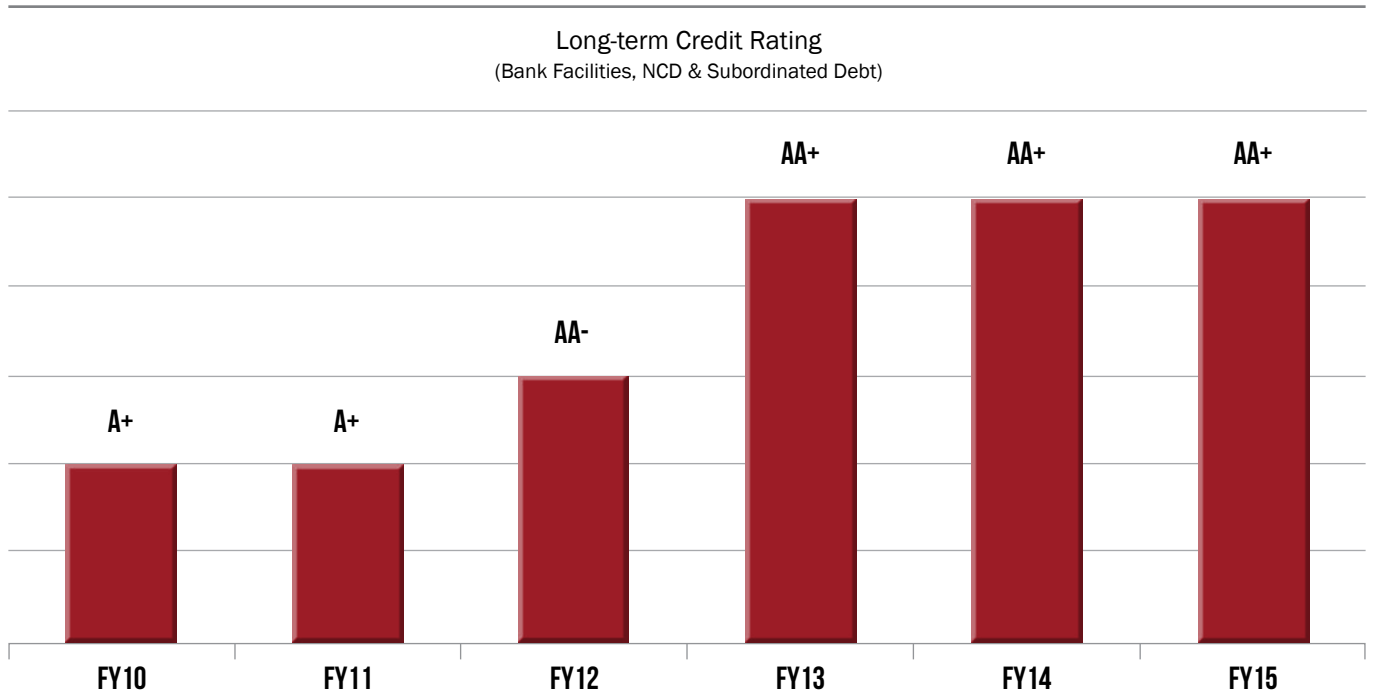
RESOURCES & LIABILITIES

The Company has a unique distinction of being upgraded thrice in three years reflecting the confidence of the financial system in the Company's business model, strong promoters, experienced management, good cash flow management, comfortable capitalisation levels, comfortable

asset quality parameters and liquidity position in the Company. We are happy to report that the long term rating of the Company continues to be AA+ in FY15, which is among the highest ratings in the financial services industry, achieved by very few companies in the sector.

These high credit ratings indicate a strong capacity for timely repayment and low credit risk. This enables us to borrow funds at highly competitive rates.

Rating



The long-term credit rating of the Company is AA+ for Bank Facilities, NCD & Subordinated Debt, which recognises its comfortable capitalisation levels, strong business model, comfortable asset quality parameters, healthy liquidity position, experienced management team, and strong promoter.

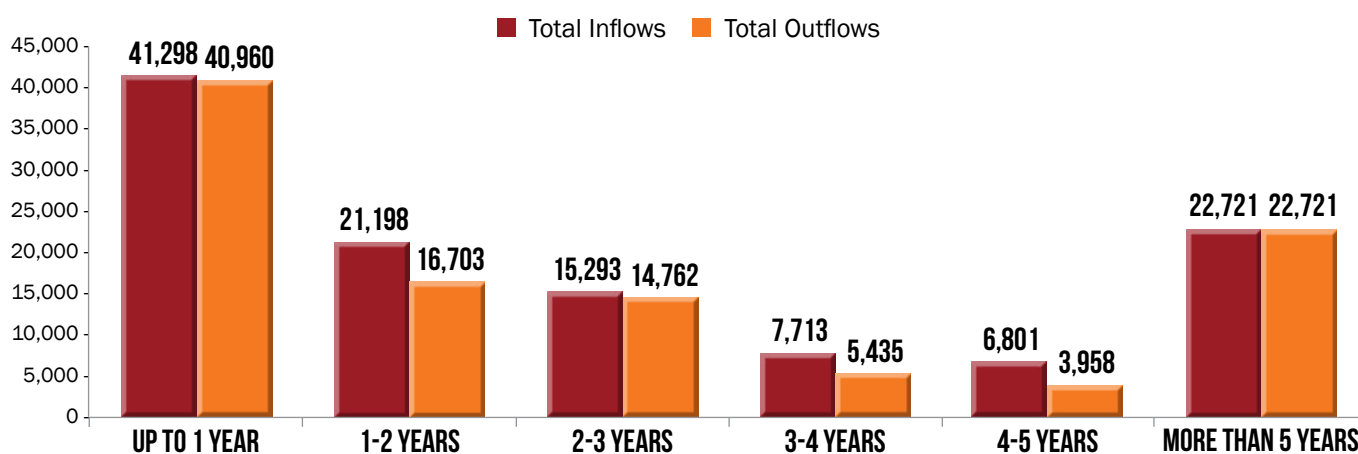
ASSET LIABILITY MANAGEMENT

The Company follows a conservative and prudent policy of matched funding for assets. Capital First is one of the very few companies in India to follow such matched funding which gives the Company great Asset Liability stability. As a key strategy to manage healthy

cash flows, the Company borrows for a longer tenor than the actuarial maturity of its assets. Hence, the total inflow in each maturity bucket is higher than the total outflows in the respective buckets, which provides the Company adequate liquidity at all

times. The strong ALM strategy is one of the key pillars of strength of the Company on a structural basis.

Asset Liability Management (₹ mn)



CONSOLIDATED FINANCIAL PERFORMANCE

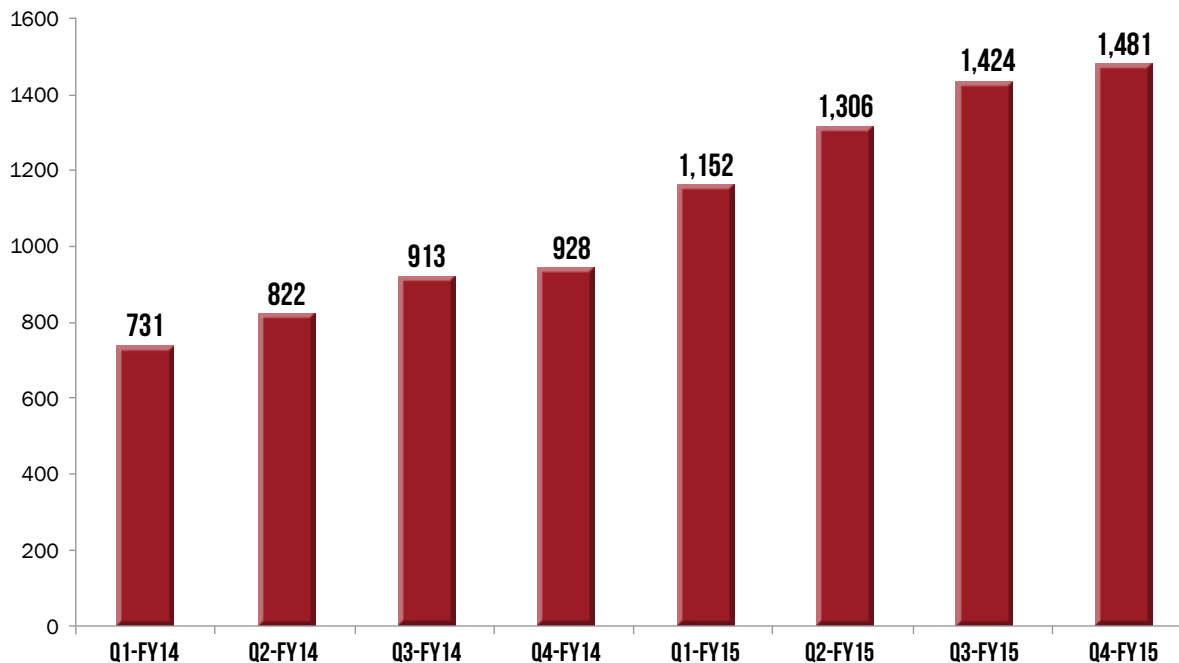
The following table presents the consolidated results of the Company's operations for the year ended March 31, 2015:

	(₹ mn)		
	Year ended March 31, 2015	Year ended March 31, 2014	% change
Interest Income	13,241	9,861	34%
Interest Expenses	7,878	6,468	22%
Net Interest Income	5,363	3,393	58%
Total Income	6,588	4,222	56%
Operational Expenditure	3,870	3,122	24%
Provision	1,055	510	107%
Profit Before Tax	1,663	590	182%
Profit After Tax	1,143	526	117%

In FY15, the NII was up by 58% as compared to the previous year. The Profit Before Tax has increased by 182% largely driven by increase in the MSME and consumer retail business.

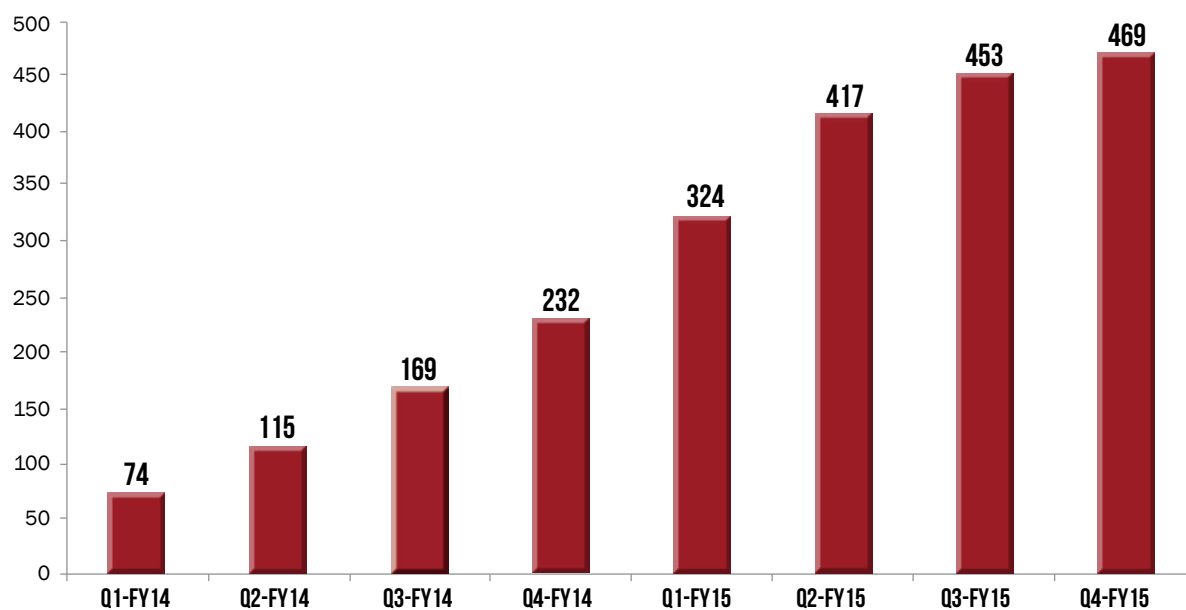
Net Interest Income (NII)

All figures are in ₹ mn unless specified



Consistent Increase in PBT over last 8 quarters

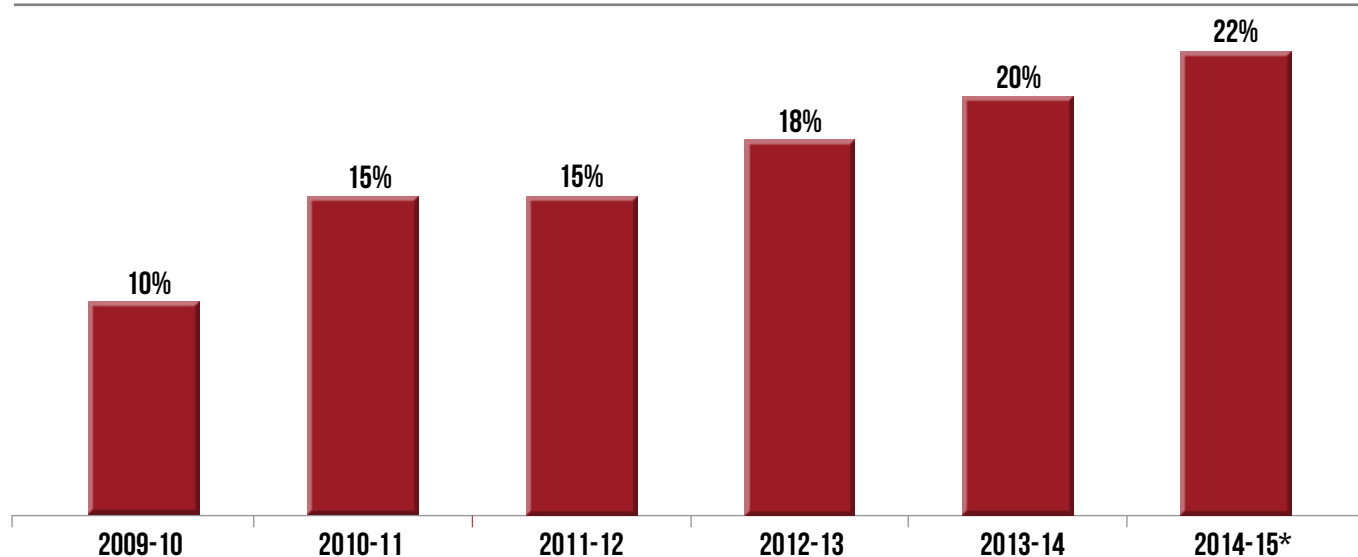
All figures are in ₹ mn unless specified



SHAREHOLDERS' FUNDS

As of March 31, 2015, shareholders' funds of the Company amounted to ₹ 15,738 million as compared to ₹ 11,710 million as on March 31, 2014. The Capital Adequacy Ratio (CAR) as on March 31, 2015 was 23.44% with Tier-I Capital Adequacy Ratio being at 18.75%.

Dividend (%)



* Proposed at AGM

OPPORTUNITIES & OUTLOOK

ACCORDING TO A REPORT, “MICRO, SMALL AND MEDIUM ENTERPRISE FINANCE IN INDIA” BY THE INTERNATIONAL FINANCE CORPORATION (NOVEMBER 2012), THE OVERALL DEMAND FOR DEBT IN THE MSME SECTOR IS ESTIMATED TO BE APPROXIMATELY ₹ 26 TRILLION (USD 520 BILLION).

Capital First has invested considerable time and efforts to develop customised credit assessment and operations processes to meet the needs of the MSME segment against the security of property or cash flow of the customers. MSME loans constitute a lion's share of the total AUM as on March 31, 2015. The

Company's experience in providing the debt finance products to MSMEs and developing processes tailored to the MSME and consumer segment puts us in an ideal position to continue to tap this growing segment. With growth coming back in the economy, the first to benefit will be small and medium enterprises due to secondary demand

from larger businesses. Further, as the effect of falling interest rates begins to pervade the economy, this segment will continue to experience added advantages.

The other focus area of the Company has been financing the consumers for purchasing white goods like fridge, TV,

etc., which also has immense potential in India considering increased affluence, growing aspirations and favourable demographics.

OUTLOOK

Capital First envisages optimistic growth in the near-term as it appears that economy has bottomed out and interest rates are on a sustainable downtrend as inflation has been

steadily low in recent times. These factors will boost demand from our customers which at present accounts for 85% of the Company's business. The Company envisages good growth on the horizon too as the sectors that it caters to are not only large but growing and are far from saturated in terms of availability of finance. To ready itself for this take-off in growth, the Company has put in place robust internal risk-management systems

and processes and supportive technology. Last but not the least, the recent capital raising has adequately augmented its capital base, enabling it to expand its business.

INTERNAL CONTROL SYSTEMS

CAPITAL FIRST HAS IN PLACE ADEQUATE SYSTEMS OF INTERNAL CONTROL WHICH ARE COMMENSURATE WITH ITS SIZE AND THE NATURE OF OPERATIONS.

The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls and compliance with applicable laws and regulations.

The Company has in place adequate systems to ensure that assets are

safeguarded against loss due to unauthorised use or disposition and that transactions are authorised, recorded and reported. It has further strengthened its system controls by implementing a robust Loan Management Systems.

The Company has an Internal Audit Department, which reports to the Audit Committee of the Board of Directors

of the Company. The department conducts comprehensive audits of functional areas and operations of the Company to examine the adequacy of and compliance with policies, plans and statutory requirements.

RISKS AND CONCERNS

CAPITAL FIRST CONSTANTLY INVESTS IN PEOPLE, PROCESSES AND TECHNOLOGY AS THE COMPANY ACKNOWLEDGES THAT THESE ARE VITAL ELEMENTS FOR MITIGATING VARIOUS RISKS POSED BY THE ENVIRONMENT.

Credit Risk Management: Capital First has established detailed procedures and policies for underwriting across various product categories, based on the credit profile of the customer. While it does lay emphasis on regular credit bureau inputs and detailed credit analysis processes, it considers other factors too which may affect the quality of Credit.

Interest rate volatility: Fluctuations in interest rates could adversely affect borrowing costs, interest income and net interest margins of companies in the financial sector. Being well funded with an strong shareholder base, Capital First is in a position to tide over such spells.

Competition: The financial services space in India is highly competitive. However, as the segments in which Capital First is present are large growing and highly under-served, there is scope for significant business growth despite the competition. Further, being well capitalised with robust internal controls and risk management systems in place give us an advantage over peers in the sector.

Changes in policies towards NBFC: There is a growing trend towards more

stringent yet structurally beneficial regulation in the NBFC sector. Anticipating such regulations and implementing good governance norms before they are mandated has been a constant practice at Capital First. Accordingly, the Company stands to benefit by policy notifications.

Operational Risk Management: Towards minimising operational risks, the Company has created 'maker-checker' processes for critical controls. Further, it has laid down detailed process manuals with Service Level Agreements (SLA) for document processing and handling. It has also automated loan processing and management through established systems.

The Company ensures that the underwriting and collection process and infrastructure are well streamlined and managed by a highly competent workforce that is imparted necessary training as well. This helps in maintaining Capital First's high asset quality and low NPA levels. Capital First realises that a good customer experience is of critical importance in building a sustainable customer franchise. Accordingly, the Company constantly endeavours to improve the

service engagement with its customers through physical branches and the call centre with effective customer engagement welcome and awareness calling, follow-up communication at regular intervals to keep the customer aware of the payment cycle.

The Company has also put in place Management Information Systems (MIS) through a strong IT backbone to assist in monitoring of portfolios on a continuous basis. The Company has been continuously monitoring and realigning its credit policies and processes at regular intervals and is also working closely with leading credit bureaus in the country to ensure better credit quality.

The Company believes its efforts to continuously strengthen its risk framework and portfolio quality, helped us build a stable & healthy portfolio.

INFORMATION TECHNOLOGY

CAPITAL FIRST CONTINUES ITS TREND OF TAKING IMPRESSIVE STRIDES IN THE AREA OF INFORMATION TECHNOLOGY.

The Company received ISO 27001 certification from BSI India, the Indian subsidiary of the British Standards Institute. The certificate validates that the services and security management of Capital First adheres to the highest standards in the world.

The certificate reinforces Capital First's commitment to providing quality services to its customers and helps demonstrate its superiority in the NBFC sector.

The ISO/IEC 27001 certification deals with establishing, implementing,

operating, monitoring, reviewing, maintaining, and improving an Information Security Management System (ISMS). Since the Company hosts critical data, a sophisticated and rigorous ISMS is absolutely essential. Certification by an independent third party gives the confidence to its customers that their data is safe and secure within the Company.

Capital First has also deployed cutting edge technology solutions which help the Company optimise and improve business operations and marketing strategies.

A layer of newly deployed security solutions governed by internationally recognised policies, procedures and guidelines help manage the GRC compliances with utmost precision.

HUMAN CAPITAL

The key pillars of success at Capital First from a Human Capital perspective are:

- Ensuring we have the right people in every role
- Driving scalable processes to enhance ROI
- Creating a culture of learning and execution

To reinforce a performance culture in the Company, the Company has further strengthened the performance management program which has opened up the possibility to add further dimensions to assess the capabilities of our people and therefore identify talent within the Company. The Company recognizes and awards excellent performers with “ACE Awards”.

We have used ESOS for select employees to foster a sense of ownership. Our employee productivity continues to be one of the best in the industry.

On the people side, we have imparted training for knowledge on product, process and systems, skills and behaviours that have a direct impact on business performance. Our focus, continues to be on-the-job training and we encourage our supervisors to provide the time required to coach their people. To develop the desired culture of the Company, we held Cultural Capability workshops covering all employees of the Company.

The steps we have taken on the people front have provided them

opportunities for growth, differentiated rewards and engagement. On the other hand, our improving brand in the market has enabled our talent acquisition to continue smoothly.

We have also ensured that all policies and processes have been put in place as warranted under the changes to the Companies Act.

As on March 31, 2015, we had 1070 employees.

CAUTIONARY STATEMENT

Statements made in this Management Discussion and Analysis Report may contain certain forward-looking statements based on various assumptions on the Company's present and future business strategies and the environment in which it operates. Actual results may differ substantially or materially from those expressed or implied due to risk and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and abroad, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the Company's businesses as well as the ability to implement its strategies. The information contained herein is as of the date referenced and the Company does not undertake any obligation to update these statements. The Company has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed.



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Tenth Annual Report of your Company with the audited financial statement for the financial year ended March 31, 2015.

FINANCIAL HIGHLIGHTS

The highlights of the consolidated and standalone financial statement of the Company for the financial years 2014-15 and 2013-14 are as under:

(₹ in Million)

Particulars	Consolidated		Standalone	
	2014-15	2013-14	2014-15	2013-14
Total Income	14,418.58	10,625.14	14,259.32	10,797.12
Total Expenditure	12,791.40	9,977.63	12,646.13	10,043.79
Profit Before Tax and exceptional items	1,627.18	647.51	1,613.19	753.33
Exceptional income/(expense)	-	-	-	(344.48)
Provision For Tax	510.59	58.00	492.99	39.02
Profit after tax from continuing operations	1,116.59	589.51	1,120.20	369.83
Profit/(Loss) after tax from Discontinuing operations	26.22	(63.23)	-	-
Profit for the year	1,142.81	526.28	1,120.20	369.83
Profit/(Loss)brought forward from previous Year	931.95	676.22	1,216.26	1,113.55
Less: Accelerated Depreciation as per the Companies Act, 2013	6.71	-	6.71	-
Less: Loss in recovery of advances granted to Employee Welfare Trusts	18.36	-	18.36	-
Profit available for appropriation	2,049.69	1,202.50	2,311.39	1,483.38
Appropriations:				
Transfer to Reserve Fund under Section 45- IC of the RBI Act, 1934	224.04	73.96	224.04	73.97
Transfer to statutory reserve under section 29C of the National Housing Bank Act, 1987	4.03	3.44	-	-
Proposed Dividend	200.24	165.41	200.24	165.41
Dividend Tax thereon	40.76	-	40.76	-
Transfer to General Reserve	112.02	27.74	112.02	27.74
Balance carried forward to Balance Sheet	1,468.60	931.95	1,734.34	1,216.26

The Company is focused on providing loans to Retail, MSME, Consumer and Wholesale credit, which is expected to drive growth for the Company going forward.

During the year under review, the Company has successfully grown its outstanding Loan Assets under Management from ₹ 96.79 billion to ₹ 119.75 billion, a growth of 24%. The Retail Assets under Management has grown from ₹ 78.83 billion to ₹ 101.17 billion, a growth of 28%. Wholesale Book increased only by 4% from ₹ 17.96 billion to ₹ 18.62 billion.

The Net worth of the Company increased from ₹ 11.71 billion to ₹ 15.74 billion as at March 31, 2015.

Consolidated Net Interest Income increased by 58% from ₹ 3393 million during the financial year ending March 31, 2014 to ₹ 5363 million during the financial year ending March 31, 2015.

The profit after tax was up by 117% from 526.28 million to ₹ 1,142.81 million.

The Company proposes to transfer an amount of ₹ 112.02 million to the General Reserves.

DIVIDEND

Keeping in mind the overall performance and the outlook for your Company, your Directors are pleased to recommend a dividend of ₹ 2.20 (Rupees Two and paise Twenty only) per share i.e. 22% on each Equity Share having face value of ₹ 10/- (Rupees Ten only). The total outgo for the current year amounts to ₹ 200.24 million as against ₹ 165.41 million in the previous year.

CAPITAL ADEQUACY

The Company's capital adequacy ratio was 23.44% as on March 31, 2015, which is significantly above the threshold limit of 15% as prescribed by the Reserve Bank of India.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges and Circular/Notifications/Directions issued by Reserve Bank of India from time to time, the Management Discussion and Analysis of the financial condition and result of consolidated operations of the Company for the year under review is presented in a separate section forming part of the Annual Report.

DIRECTORS' REPORT (CONTD.)

CORPORATE GOVERNANCE

A Report on Corporate Governance as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges, forms part of the Annual Report.

A Certificate from M/s. Makarand M Joshi & Co., Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, also forms part of the Annual Report.

SHARE CAPITAL

During the year under review, the Company raised funds through issue and allotment of 76,92,300 Equity Shares at a price of ₹ 390/- per Equity Share (including a premium of ₹ 380/- per Equity Share), aggregating to ₹ 2,99,99,97,000/- to Qualified Institutional Buyers through Qualified Institutions Placement mode pursuant to Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended and section 42 of the Companies Act, 2013 and the rules made thereunder.

During the year under review, the Company had issued and allotted 6,58,500 equity shares and subsequent to the year under review, 27,050 equity shares were also allotted to the eligible employees of the Company under various Employee Stock Option Schemes of the Company. The paid up equity share capital of the Company as on date of this report stands at ₹ 91,00,93,190/- comprising of 9,10,09,319 equity shares of ₹ 10/- each.

In order to meet its growth objectives and to strengthen its financial position, it is required to generate long term resources by issuing securities. It is, therefore, deemed appropriate to reclassify the Authorised Share Capital of the Company from ₹ 113,00,00,000/- (Rupees One Hundred and Thirteen Crore) comprising of 10,30,00,000 (Ten Crore Thirty Lac) Equity Shares of ₹ 10/- (Rupees Ten) each and 1,00,00,000 (One Crore) Compulsorily Convertible Preference Shares of ₹ 10/- (Rupees Ten) each to ₹ 113,00,00,000/- (Rupees One Hundred and Thirteen Crore) comprising of 11,30,00,000 (Eleven Crore Thirty Lakhs) Equity Shares of ₹ 10/- (Rupees Ten) subject to the approval of shareholders at the ensuing Annual General Meeting of the Company.

SUBSIDIARIES

During the year under review, the Board of Directors of Capital First Investment Advisory Limited ('CFIAL') and Capital First

Home Finance Private Limited ('CFHFPL'), both being wholly owned subsidiary Companies of the Company had approved the Scheme of Amalgamation pursuant to which a petition has been filed with Hon'ble Bombay High Court for merger of CFIAL into CFHFPL.

During the year under review, Anchor Investment & Trading Private Limited which had been involved in investment management and advisory activity, has initiated the process of winding up. As this business was discontinued by the Company in 2010-11.

PUBLIC DEPOSITS

The Company being a Non-Deposit Accepting Non-Banking Finance Company has not accepted any deposits from the public during the year under review and shall not accept any deposits from the public without obtaining prior approval of the Reserve Bank of India (RBI).

RBI GUIDELINES

As a Systemically Important Non Deposit taking Non-Banking Finance Company, your Company always aims to operate in compliance with applicable RBI laws and regulations and employs its best efforts towards achieving the same.

NUMBER OF MEETINGS OF THE BOARD

The Board met 8 times in financial year 2014-15 viz., on April 02, 2014, May 08, 2014, August 05, 2014, September 24, 2014, November 07, 2014, December 22, 2014, January 06, 2015 and February 10, 2015. The maximum interval between any two meetings did not exceed 120 days.

COMMITTEES OF THE BOARD

During the year, in accordance with the Companies Act, 2013 and Clause 49 of Listing Agreement, the Board re-constituted some of its Committees and also formed a Corporate Social Responsibility Committee. The Committees are as follows:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee

Details of the said Committees along with their charters, composition and meetings held during the year, are provided in the "Report on Corporate Governance", a part of this Annual Report.

DIRECTORS' REPORT (CONTD.)

GOLD AUCTIONED

The disclosures as required by circular no. DNBS.CC.PD.No.356/03.10.01/2013-14 dated September 16, 2013 issued by Reserve Bank of India, regarding reporting of the Gold Auctioned during the financial year 2014-15 are provided at Note No. 43 of Notes to the Standalone Financial Statements.

CREDIT RATING

Short-term borrowing programme: During the year under review, Credit Analysis & Research Ltd. ("CARE") reaffirmed the "A1+" ("A One Plus") rating for the short term borrowing program. The rating is the highest rating issued by CARE for short term debt instruments and indicates strong capacity for timely payment of short term debt obligations and further indicates that the borrowing carries the lowest credit risk. During the year under review, the rating of short term borrowing programme was enhanced by ₹ 3,000 million i.e. from ₹ 9,000 million to ₹ 12,000 million.

During the year, Credit Analysis & Research Ltd. (CARE) and Brickwork Ratings India Private Limited (Brickwork) reaffirmed the long term rating of "AA+" (Double A Plus) of your Company. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

Long-term Bank Loan Facilities: During the year, the Company's rating of "CARE AA+" ("Double A Plus") by CARE in respect of the bank loan facilities of the Company, was enhanced from ₹ 81,450 million to ₹ 82,450 million.

Secured Redeemable Non-Convertible Debentures (NCDs): During the year CARE reaffirmed the Company's rating of "CARE AA+" ("Double A Plus") for the Secured Redeemable NCDs for an aggregate amount of ₹ 13,000 million (enhanced from ₹10,500 million). The rating of "BWR AA+" ("BWR Double A Plus") for an aggregate amount of ₹ 12,500 million (enhanced from ₹10,000 million) was also reaffirmed by Brickwork.

Subordinated Non-Convertible Debentures (NCDs): During the year CARE reaffirmed the rating of "CARE AA+" ("Double A Plus") rating for the Unsecured Subordinated Debt program of the Company for an aggregate amount of ₹ 2,000 million. Brickwork also reaffirmed the rating to "BWR AA+" ("BWR Double A Plus") for the Unsecured Subordinated Debt program of the Company for an aggregate amount of ₹ 2,000 million.

Perpetual Non-Convertible Debentures (NCDs): During the year CARE reaffirmed the "CARE AA" ("Double A") rating to the Perpetual Debt program of the Company for an aggregate amount of ₹ 2,000 million (enhanced from ₹ 1,500 million). Brickwork also reaffirmed the "BWR AA" ("Double A") rating to the Perpetual Debt program of the Company for an aggregate amount of ₹ 2,000 million (enhanced from ₹ 1,500 million).

DIRECTORS & KEY MANAGERIAL PERSONNEL

a. Cessation

During the year under review, Mr. Anil Singhvi (DIN 00239589) resigned from the post of Non Executive Independent Directorship and Committees in which he was serving as Chairman/Committee Member with effect from December 22, 2014. The Board placed on its records its appreciation for the valuable contribution provided by Mr. Anil Singhvi.

b. Retire by Rotation

In accordance with Section 152 and other applicable provisions of Companies Act, 2013, Mr. Vishal Mahadevia (DIN 01035771), being Non- Executive Director, retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting. The Board recommends his appointment.

c. Reappointment of Mr. V. Vaidyanathan (DIN 00082596) as Chairman & Managing Director and revision in remuneration

The term of Mr. V. Vaidyanathan (DIN 00082596), Chairman & Managing Director of the Company who was appointed for a term of five years with effect from August 10, 2010, expires on August 09, 2015. It is therefore proposed to reappoint Mr. V. Vaidyanathan (DIN 00082596) for a period of five years with effect from August 10, 2015 and revise remuneration terms as approved by the Board.

d. Appointment of Independent Directors

With coming into force of the provisions of Companies Act, 2013, the Board had appointed the existing Directors viz. Mr. N.C. Singhal (DIN 00004916), Mr. Hemang Raja (DIN 00040769) and Mr. M. S. Sundara Rajan (DIN 00169775) as Independent Directors of the Company for a consecutive term of three years up to March 31, 2017 as per Section 149 of the Companies Act, 2013 read with its Rules. The shareholders of the Company at their Annual General

DIRECTORS' REPORT (CONTD.)

Meeting held on June 18, 2014 had approved aforesaid appointment.

During the year under review, Dr (Mrs.) Brinda Jagirdar (DIN 06979864) and Mr. Dinesh Kanabar (DIN 00003252) had been appointed as Additional Non Executive Independent Directors and Mr. Narendra Ostawal (DIN 06530414) as Additional Non Executive Director of the Company who shall hold office upto the date of ensuing Annual General Meeting of the Company. The Company has received notices in writing under Section 160 of the Companies Act, 2013 from members proposing appointment as Directors. The Board recommends their appointment.

The details of the aforesaid Directors forms part of this Report as **Annexure I**.

Based on the confirmations received, none of the Directors are disqualified for appointment under Section 164(2) of Companies Act, 2013.

e. Key Managerial Personnel

During the year under review, Mr. V. Vaidyanathan – Chairman & Managing Director (DIN 00082596); Mr. Pankaj Sanklecha - Chief Financial Officer & Head Corporate Centre; and Mr. Satish Gaikwad – Head - Legal, Compliance & Company Secretary were designated as the Key Managerial Personnel of the Company pursuant to the requirements of the applicable provisions of Companies Act, 2013 read with its Rules, by the Board of Directors and their terms and conditions of the appointment and remuneration was considered by the Board.

BOARD'S INDEPENDENCE

Our definition of 'Independence' of Directors is derived from Clause 49 of the Listing Agreement with Stock Exchanges and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of Clause 49 of the Listing Agreement and Section 149(6) of the Companies Act, 2013 :-

1. Mr. N.C. Singhal (DIN 00004916)
2. Mr. Hemang Raja (DIN 00040769)
3. Mr. M.S. Sundara Rajan (DIN 00169775)
4. Dr. (Mrs.) Brinda Jagirdar (DIN 06979864)

5. Mr. Dinesh Kanabar (DIN 00003252)

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134 (5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby stated that:

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

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION & EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Policy on Nomination and Remuneration of Directors, Key Managerial Personnel, Senior Management and other employees has been formulated including criteria for determining qualifications, positive attributes, Independence of a Director and other matters as required under the said Act and Listing Agreement.

The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- Expertise;
- Objectivity and Independence;

DIRECTORS' REPORT (CONTD.)

- Guidance and support in context of life stage of the Company;
- Understanding of the Company's business;
- Understanding and commitment to duties and responsibilities;
- Willingness to devote the time needed for effective contribution to Company;
- Participation in discussions in effective and constructive manner;
- Responsiveness in approach;
- Ability to encourage and motivate the Management for continued performance and success;

The evaluation involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors. A member of the Board will not participate in the discussion of his / her evaluation.

Accordingly a process of evaluation was followed by the Board for if own performance and that of its Committees and individual Directors and also the necessary evaluation was carried out by Nomination and Remuneration Committee and Independent Director at their respective meetings held for the purpose.

CONSOLIDATED FINANCIAL STATEMENTS

The Audited Consolidated Financial Statements are provided in this Annual Report which have been prepared in accordance with relevant Accounting Standards issued by the Institute of Chartered Accountants of India.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments are given in the notes to the Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188

During and subsequent to the year under review, the contracts or arrangements with related parties have been on arms length and in ordinary course of business and they were not material in nature. Accordingly, the particulars of the transactions as prescribed in Form AOC - 2 of the rules prescribed under Chapter IX relating to Accounts of Companies under the Companies Act, 2014 are not required to be disclosed as they are not applicable.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as **Annexure 2** to this Director's Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year under review the Board of Directors at its meeting held on May 08, 2014 had constituted Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of Companies Act, 2013 read with rules formulated therein. The Company pursuant to the recommendation of the CSR Committee had adopted a detailed policy on Corporate Social Responsibility and also discussed and identified the core areas in which the CSR activities was proposed to be carried out in the CSR Committee Meetings from time to time.

The details of contents of CSR Policy of the Company and the details about the development of CSR Policy and initiatives taken by the Company on Corporate Social Responsibility during the year as per annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been appended as **Annexure 3** to this Report.

STATUTORY AUDITORS & THEIR REPORT

M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, having ICAI Firm Registration No. 301003E were appointed as Statutory Auditors of your Company at the Ninth Annual General Meeting (AGM) held on June 18, 2014 from the conclusion of the said AGM till conclusion of Twelfth Annual General Meeting. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Statutory Auditors is required to be ratified by members at every Annual General Meeting. Accordingly, the appointment of M/s. S. R. Batliboi & Co. LLP, as Statutory Auditor of the Company is placed for ratification by the shareholders.

The Auditor's Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDITORS & THEIR REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder, the Company had appointed M/s. Makarand M Joshi & Co., Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year 2014-15. The Secretarial Audit Report for financial year 2014-15, has been appended as **Annexure 6** to this Report.

DIRECTORS' REPORT (CONTD.)

The Auditor's Report does not contain any qualification, reservation or adverse remark.

The Board of the Directors at their Meeting held on May 13, 2015 have reappointed M/s. Makarand M Joshi & Co., Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year 2015-16.

PARTICULARS OF EMPLOYEES, EMPLOYEES STOCK OPTION SCHEME AND EMPLOYEES STOCK PURCHASE SCHEME

The details in terms of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report as **Annexure 5**. The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 may be obtained by the members by writing to the Company Secretary of your Company.

During the year under review, Board of Directors of the Company on the recommendation of Nomination & Remuneration Committee at its Meeting held on April 02, 2014 and shareholders at Annual General Meeting held on June 18, 2014 approved the 'CMD Stock Option Scheme - 2014'.

Also, during the year under review, the Company has granted employee stock options to eligible employees under various Employee Stock Option Schemes. During the year under review, the Company had also issued and allotted 6,58,500 equity shares and subsequent to the year under review also, 27,050 equity shares were allotted to the eligible employees of the Company under various Employee Stock Option Schemes of the Company.

The details with respect to the Employee Stock Option Schemes/ Employee Stock Purchase Scheme are annexed and forms part of this Report as **Annexure 4**.

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, EXPENDITURE ON RESEARCH AND DEVELOPMENT, FOREIGN EXCHANGE INFLOW/OUTFLOW, ETC.

The requirements of disclosure with regard to Conservation of Energy in terms of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are not applicable to the Company since it doesn't own any manufacturing facility.

However, the Company makes all efforts towards conservation of energy, protection of environment and ensuring safety.

The details of the earnings and outgoing Foreign Exchange during the year under review are provided in Notes to the Financial Statements as at March 31, 2015. The Members are requested to refer to the said Note for details in this regard.

VIGIL MECHANISM

Your Company has established a 'Whistle Blower Policy and Vigil Mechanism' for directors and employees to report to the appropriate authorities concerns about unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct policy and provides safeguards against victimization of employees who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

RISK MANAGEMENT POLICY AND INTERNAL CONTROL

The Company has adopted a Risk Management Policy duly approved by the Board and also has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Risk Management Committee, Audit Committee and the Board of Directors of the Company. The Company's internal control systems are commensurate with the nature of its business and the size and complexity.

DIRECTORS' REPORT (CONTD.)

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013 READ WITH RULES

Pursuant to the requirements of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 read with Rules thereunder, the Company has not received any complaint of sexual harassment during the year under review.

ACKNOWLEDGEMENT

We are grateful to the Government of India, the Reserve Bank of India, the Securities and Exchange Board of India, the Stock Exchanges, Insurance Regulatory and Development Authority of India, National Housing Bank and other regulatory authorities for their valuable guidance and support and wish to express our sincere appreciation for their continued co-operation and assistance. We look forward to their continued support in future.

We wish to thank our bankers, investors, rating agencies, customers and all other business associates for their support and trust reposed in us.

Your Directors express their deep sense of appreciation for all the employees whose commitment, co-operation, active participation, dedication and professionalism has made the organization's growth possible.

Finally, the Directors thank you for your continued trust and support.

On behalf of the Board of Directors

V. Vaidyanathan

Chairman & Managing Director

DIN:00082596

Place : Mumbai

Date : May 13, 2015

ANNEXURE 1 TO THE DIRECTORS' REPORT

BRIEF PROFILE OF DIRECTORS

I. MR. V. VAIDYANATHAN (DIN 00082596)

Mr. V. Vaidyanathan aged 47 is the Chairman and Managing Director of Capital First Limited (CFL). He worked with Citibank from 1990-2000, and with the ICICI Group from 2000-2010. In order to take an entrepreneurial role, he acquired a stake in an existing NBFC, and then secured an equity backing of USD 150 million from Warburg Pincus in 2012, and thus formed Capital First Limited. Warburg Pincus is a large Global Private Equity player with funds of over US\$ 40 billion. Post the transaction, he holds shares and options totaling 14% of the company on a fully diluted basis through personal holdings and related entities.

In March 2010, the Company was a wholesale lending NBFC with Capital Base of ₹ 6,900 Million with loan assets of ₹ 9,347 Million with NPA of 5.3%. He used this platform to transform the Company into a highly successful Retail NBFC with a Capital Base of ₹ 22.39 Billion, with loan assets of ₹ 119.75 Billion (Mar'15), and NPA of less than 1%. Under his leadership, the long term credit rating has been re-rated thrice in 3 years from A+ to AA+. He has grown the Company to provide financial services to 222 locations in India with over 1000 employees. He believes that financing India's 30 million MSMEs and India's emerging middle class, with a differentiated model based on new technology platforms, offers a unique opportunity in India.

He joined the ICICI Limited in early 2000 when it was still a Domestic Financial Institution and the retail business he built helped the transition of ICICI as a DFI to a Universal Bank. He launched the Retail Banking Business for ICICI in 2000, and built it to 1400 ICICI Bank branches in 800 cities, 25 million customers, a vast CASA and retail deposit base, with branch, internet and digital banking, and built a retail loan book of over ₹ 1,35,000 Crores in Mortgages, Auto loans, Commercial Vehicles, Credit Cards and Personal Loans. In addition, he also built the ICICI Bank's SME business and managed the Rural Banking Business.

He was appointed as MD and CEO of ICICI Personal Financial Services at 32, Executive Director on the Board of ICICI Bank at the age of 38 and became the MD and CEO of ICICI Prudential Life Insurance Co at 41. He was also the Chairman of ICICI Home Finance Co. Ltd, and served on the Board of ICICI Lombard General Insurance Company, CIBIL- India's first Credit Bureau, and SMERA- SIDBI's Credit Rating Agency. He started his career with Citibank India in 1990 and worked there till 2000 in retail banking.

During his career, he and his organization have received a large number of domestic and international awards including "Best Retail bank in Asia 2001", "Excellence in Retail Banking Award" 2002, "Best Retail Bank in India 2003, 2004, and 2005 from the Asian Banker", "Most Innovative Bank" 2007, "Leaders under 40" from Business Today in 2009, "Greatest Corporate Leaders of India, 2014", and was nominated "Retail Banker of the Year" by EFMA Europe for 2008. He is an alumnus of Birla Institute of Technology and Harvard Business School. He is a regular contributor in India and abroad international forums on Financial and Banking matters.

The details of the Directorship and/or Membership/ Chairmanship of Committees of the Board held by Mr. V. Vaidyanathan, (except private companies, Non Profit companies and foreign companies) as on March 31, 2015 are as follows:

Sr. No	Name of the Company	Committee positions held (excluding in Company)	
		Audit Committee	Stakeholders Relationship Committee
1	Capital First Home Finance Pvt. Ltd.	-	-

Mr. Vaidyanathan holds 341,496 equity shares in Capital First Limited. In addition, JV and Associates LLP in which Mr. V. Vaidyanathan is partner holds 4,773,795 shares.

II. MR. N.C. SINGHAL (DIN 00004916)

Mr. N. C. Singhal, aged 78, is a Non Executive Independent Director of the Company. He joined the Board of Directors of the Company in September 2010. Mr. Singhal is the Chairman of Nomination and Remuneration Committee and a Member of Audit Committee of the Board of Directors of the Company.

Mr. N. C. Singhal holds postgraduate qualifications in Economics, Statistics and Administration and was awarded the United Nations Development Programme Fellowship for advanced studies in the field of project formulation and evaluation, in Moscow and St. Petersburg. He received professional training in development banking at the World Bank, Washington D.C. and Kreditanstalt fur Wiederaufbau, Frankfurt. He was the founder Chief Executive Officer, designated as the Vice-Chairman & Managing Director of The Shipping Credit & Investment Corporation of India Limited (since merged with

ANNEXURE 1 TO THE DIRECTORS' REPORT (CONTD.)

the ICICI). Earlier, he was a senior executive and then a member of the Board of Directors of ICICI Limited. He was a Banking Expert to the Industrial Development Bank of Afghanistan, for the World Bank project and a Consultant and Management Specialist with the Asian Development Bank in Philippines, South Korea, Pakistan and Uzbekistan.

Mr. Singhal is a member of the Advisory Board of the International Maritime Bureau, London and was the Vice-Chairman of the Commission on Maritime Transport of the International Chamber of Commerce, Paris. He has been Non-Executive Chairman/ Director of several companies; including, Axis Bank Limited, Shipping Corporation of India Limited and Max New York Life Insurance Company Limited. He is currently Non-Executive Chairman/Director of several companies in the manufacturing and financial sector.

The details of the Directorship and/or Membership/ Chairmanship of Committees of the Board held by Mr. N. C. Singhal, (except private companies, Non Profit companies and foreign companies) as on March 31, 2015 are as follows:

Sr. No.	Name of the Company	Committee positions held (excluding in Company)	
		Audit Committee	Stakeholders Relationship Committee
1	Deepak Fertilizers and Petrochemicals Corporation Limited	C	-
2	Max India Limited	C	M
3	Birla Sun Life Asset Management Company Limited	-	-
4	Shapoorji Pallonji Forbes Shipping Limited	-	-
5	Binani Industries Limited	M	M
6	Essar Shipping Limited	-	-
7	Essar Ports Limited	-	-
8	Essar Bulk Terminal Limited	-	-
9	Tolani Shipping Company Limited	C	-

C - Chairman of the Committee

M - Member of the Committee

Mr. N.C. Singhal does not hold any shares in the Company.

III. MR. VISHAL MAHADEVIA (DIN 01035771)

Mr. Vishal Mahadevia, aged 42 is a Non Executive Director of the Company. He joined the Board of Directors of the Company in September 2012. Mr. Mahadevia is the Member of Audit Committee, Corporate Social Responsibility Committee and Nomination and Remuneration Committee of the Board of Directors of the Company.

Mr. Vishal Mahadevia is Managing Director and co-head of Warburg Pincus India Private Limited. Previously, he was with Greenbriar Equity Group, a fund focused on private equity investments in the transportation sector. Prior to that, Mr. Mahadevia worked at Three Cities Research, Inc., a New York-based private equity fund, and as a consultant with McKinsey & Company. He is a Director of AU Financiers, Biba Apparels, Capital First, Continental Warehousing, Gangavaram Port, IMC Limited, Kalyan Jewellers and QuEST Global Services. Mr. Mahadevia received a B.S. in economics with a concentration in finance and a B.S. in electrical engineering from the University of Pennsylvania.

The details of the Directorship and/or Membership/ Chairmanship of Committees of the Board held by Mr. Vishal Mahadevia (except private companies, Non Profit companies and foreign companies) as on March 31, 2015 are as follows:

Sr. No.	Name of the Company	Committee positions held (excluding in Company)	
		Audit Committee	Stakeholders Relationship Committee
1	Gangavaram Port Limited	-	-
2	IMC Limited	-	-
3	Continental Warehousing Corporation (Nhava Sheva) Limited	-	-
4	AU Financiers (India) Limited	-	-

Mr. Vishal Mahadevia does not hold any shares in the Company.

ANNEXURE 1 TO THE DIRECTORS' REPORT (CONTD.)

IV. MR. M. S. SUNDARA RAJAN (DIN 00169775)

Mr. M. S. Sundara Rajan, aged 65, is a Non Executive Independent Director of the Company. He joined the Board of Directors of the Company in February 2013. Mr. Sundara Rajan is the Member of Audit Committee and Nomination and Remuneration Committee, of the Board of Directors of the Company.

Mr. M. S. Sundara Rajan is a Post Graduate in Economics from University of Madras with specialization in Mathematical economics, National Income and Social Accounting. He is also a Certified Associate of Indian Institute of Bankers and Associate Member of Institute of Company Secretaries of India. He was Chairman and Managing Director (CMD) of Indian Bank and has total experience of over 38 years in the Banking Industry. He has also earlier worked with Union Bank of India for over 33 years. During his Stewardship as CMD of Indian Bank, the said Bank has won many accolades and awards. He has been ranked 45th in the Economic Times India Inc's most powerful CEOs list (2009) and also Ranked No.2 among the CEOs of Nationalized Banks and No.6 among the CEOs of Commercial banks.

The details of the Directorship and/or Membership/ Chairmanship of Committees of the Board held by Mr. M. S. Sundara Rajan (except private companies, Non Profit companies and foreign companies) as on March 31, 2015 are as follows:

Sr. No.	Name of the Company	Committee positions held (excluding in Company)	
		Audit Committee	Stakeholders Relationship Committee
1	BGR Energy Systems Limited	-	-
2	Gitanjali Gems Limited	C	C
3	Royal Sundaram Alliance Insurance Company Limited	M	-
4	The Clearing Corporation of India Limited	M	-
5	Centbank Financial Services Limited	M	-
6	Sharda Cropchem Limited	C	-
7	Sundaram Trustee Company Limited	M	-

Sr. No.	Name of the Company	Committee positions held (excluding in Company)	
		Audit Committee	Stakeholders Relationship Committee
8	Stock Holding Corporation Of India Limited	M	-
9	Capital First Home Finance Private Limited	C	-

C - Chairman of the Committee

M - Member of the Committee

Mr. Sundara Rajan does not hold any shares in the Company.

V. MR. HEMANG RAJA (DIN 00040769)

Mr. Hemang Raja, aged 56, is a Non Executive Independent Director of the Company. He joined the Board of Directors of the Company in February 2013. Mr. Raja is the Chairman of Corporate Social Responsibility Committee and Member of Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Board of Directors of the Company.

Mr. Hemang Raja is an MBA from Abeline Christian University, Texas, with a major emphasis on finance. He has also done an Advanced Management Program (AMP) from Oxford University, UK. He has a vast experience of over thirty three years in financial services encompassing fund based businesses such as Project Finance and Corporate Banking, together with Treasury management and Structured products with IL&FS. Mr. Raja has also been the head of Capital Market activities in the Institutional and Retail Segments when he started and became the Managing Director and CEO of the then newly formed initiative by IL & FS, namely IL & FS Investsmart Ltd.

His last assignment was in the area of Private Equity and Fund Management business with Credit Suisse and Asia Growth Capital Advisers in India as MD and Head- India. Over the course of his career he has cultivated and managed over a hundred strong Corporate Relationships and has been involved in the creation of a retail customer base of more than two hundred thousand, in IL&FS and IL&FS Investsmart Ltd. He has served on the executive committee of the board of the National Stock Exchange of India Limited also served as a member of the Corporate Governance Committee of the BSE Limited.

ANNEXURE 1 TO THE DIRECTORS' REPORT (CONTD.)

The details of the Directorship and/or Membership/ Chairmanship of Committees (except private companies, Non Profit companies and foreign companies) of the Board held by Mr. Hemang Raja as on March 31, 2015 are as follows:

Sr. No.	Name of the Company	Committee positions held (excluding in Company)	
		Audit Committee	Stakeholders Relationship Committee
1	ACE Derivatives and Commodity Exchange Limited	-	-
2	Hemarus Therapeutics Limited	-	-

Mr. Hemang Raja does not hold any shares in the Company.

VI. DR. (MRS.) BRINDA JAGIRDAR (DIN 06979864)

Dr. (Mrs.) Brinda Jagirdar, aged 62 is a Non Executive Independent Director of the Company. She joined the Board of Directors of the Company in September 2014. Dr. (Mrs.) Brinda Jagirdar is the Chairperson of Stakeholders Relationship Committee and Member of Corporate Social Responsibility Committee of the Board of Directors of the Company.

Dr. (Mrs.) Brinda Jagirdar is an independent consulting economist with specialization in areas relating to the Indian economy and financial intermediation. She is an Independent Director and member of the Directors' Forum of the FICCI Centre for Corporate Governance. She is Visiting Faculty, National Institute of Bank Management, Pune and member of the Research Advisory Committee of the Indian Institute of Banking and Finance. She retired as General Manager and Chief Economist, State Bank of India, based at its Corporate Office in Mumbai.

As part of the Bank's senior Management team, Dr. Jagirdar's work at SBI involved tracking developments in the Indian and global economy and analysing implications for policy, participating in the Bank's Asset Liability Committee and Central Management Committee meetings, conducting research studies on relevant issues including financial inclusion, macroeconomic developments, banking sector reforms.

Dr.(Mrs.) Brinda Jagirdar was associated with the Raghuram Rajan Committee on Financial Sector Reforms in India, was

a member of the Planning Commission's Sub Group on Household Sector Savings for the 12th Five Year Plan and member of the Ministry of Finance Group on Deepening India's Household Financial Savings.

She was member of Banking, Finance & Economics Committee of the Bombay Chamber of Commerce, member of the Monetary Policy Group of Indian Banks' Association and editorial committee member of the journal of the Indian Banks' Association.

She has a brilliant academic record, with a Ph.D. in Economics from the Department of Economics, University of Mumbai, M.S. in Economics from the University of California at Davis, USA, MA in Economics from Gokhale Institute of Politics and Economics, Pune and BA in Economics from Fergusson College, Pune. She has attended an Executive Programme at the Kennedy School of Government, Harvard University, USA and a leadership programme at IIM Lucknow.

She has participated and presented papers at several seminars and conferences in India and abroad. She is regularly invited to make presentations and speak on topics relating to economy and banking. She is frequently invited to be a panelist on TV business channels and contributes columns in business newspapers and journals.

The details of the Directorship and/or Membership/ Chairmanship of Committees of the Board held by Dr. (Mrs.) Brinda Jagirdar (except private companies, Non Profit companies and foreign companies) as on March 31, 2015 are as follows:

Sr. No.	Name of the Company	Committee positions held (excluding in Company)	
		Audit Committee	Stakeholders Relationship Committee
1	Rane Engine Valve Limited	-	-
2	Capital First Home Finance Private Limited	M	-

M - Member of the Committee

Dr. (Mrs.) Brinda Jagirdar does not hold any shares in the Company.

ANNEXURE 1 TO THE DIRECTORS' REPORT (CONTD.)

VII. MR. DINESH KANABAR (DIN 00003252)

Mr. Dinesh Kanabar, aged 56, is a Non Executive Independent Director of the Company. He joined the Board of Directors of the Company in January, 2015. Mr. Kanabar is the Chairman of Audit Committee of the Board of Directors of the Company.

Mr. Dinesh Kanabar is the CEO of Dhruva Advisors LLP. Mr. Kanabar is a Fellow Member of the Institute of Chartered Accountants of India and has more than 25 years' experience in advising some of the largest multinationals in India.

Prior to founding Dhruva Advisors, he was the Deputy CEO of KPMG in India and the Chairman of its tax practice.

He has worked with several Corporates, multi-national and Indian, on entry strategy, fund raising, operating excellence, benchmarking, risk management, etc. He handled some of the biggest tax controversies and has advised on innovative structures for inbound and outbound investments. He has worked closely with the government on matters relating to corporate and tax policy, tax administration and related matters. Dinesh is a Member of National Executive Committee of FICCI and a member of the Rangachary Committee set up by the Prime Minister of India for

reviewing the taxation of Development Centres and the IT Sector. Dinesh speaks regularly at various conferences, both national and international and has been consistently rated as amongst the leading tax advisers in India by several journals, including International Tax Review.

Mr. Dinesh Kanabar does not hold any shares in the Company.

VIII. MR. NARENDRA OSTAWAL (DIN 06530414)

Mr. Narendra Ostawal aged 37 years is a Non Executive Director of the Company. He joined the Board of Directors of the Company in January 2015.

Mr. Narendra Ostawal is the Managing Director of Warburg Pincus India Private Limited and is based in Mumbai. He joined Warburg Pincus in 2007 and since then has been involved in the firm's investment advisory activities in India. Prior to joining Warburg Pincus, Mr. Ostawal was Associate with 3i, India and McKinsey & Company. Mr. Ostawal holds a Chartered Accountancy degree from The Institute of Chartered Accountants of India and an M.B.A. from Indian Institute of Management, Bangalore.

Mr. Narendra Ostawal does not hold any shares in the Company.

ANNEXURE 2 TO THE DIRECTORS' REPORT

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L29120MH2005PLC156795
Registration Date	18/10/2005
Name of the Company	CAPITAL FIRST LIMITED
Category / Sub-Category of the Company	Public Company Limited by shares
Address of the Registered office and contact details	15 th Floor, Tower -2, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone, Mumbai- 400 013 Tel No. 022-40423400 Fax:- 022-40423401 Email ID:- secretarial@capfirst.com
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400 078; Phone: +91 22 25963838 Fax: +91 22 25946969 Email ID- rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Other Credit Granting	64920	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and address of The Company	CIN/GLN	Holding/ subsidiary / Associate	% of shares Held	Applicable Section
1.	Cloverdell Investment Ltd C/o Warburg Pincus Asia Ltd, 8th Floor, Newton Tower, Sir William Newton Street, Port-Louis, Mauritius	NA	Holding Company	64.01%	2 (46)
2.	Capital First Home Finance Private Limited 15th Floor, Tower -2, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone, Mumbai - 400013	U65192MH2010PTC211307	Subsidiary	100%	2 (87)

ANNEXURE 2 TO THE DIRECTORS' REPORT (CONTD.)

Sl. No.	Name and address of The Company	CIN/GLN	Holding/ subsidiary / Associate	% of shares Held	Applicable Section
3.	Capital First Investment Advisory Limited 15th Floor, Tower -2, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone, Mumbai - 400013	U67190MH2004PLC150329	Subsidiary	100%	2 (87)
4.	Capital First Securities Limited Technopolis Knowledge Park, A-Wing, 4th Floor, 401-407, Mahakali Caves Road, Chakala, Andheri (E), Mumbai - 400 093	U66010MH2007PLC169687	Subsidiary	100%	2 (87)
5.	Capital First Commodities Limited Technopolis Knowledge Park, A-Wing, 4th Floor, 401-407, Mahakali Caves Road, Chakala, Andheri (E), Mumbai - 400 093	U65990MH2008PLC181572	Subsidiary	100%	2 (87)
6.	Anchor Investment & Trading Private Limited 4 th Floor, Raffles Tower, 19 Cybercity, Ebene, Republic of Mauritius	N.A.	Subsidiary	100%	2 (87)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	-	-	-	-	-	-	-	-
(2) Foreign									
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	59485602	-	59485602	71.99	59485602	-	59485602	65.38	*(6.61)
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):	59485602	-	59485602	71.99	59485602	-	59485602	65.38	(6.61)
Total Public Shareholding (A) = (A)(1)+(A)(2)	59485602	-	59485602	71.99	59485602	-	59485602	65.38	(6.61)

ANNEXURE 2 TO THE DIRECTORS' REPORT (CONTD.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	10396	-	10396	0.01	5416383	-	5416383	5.95	5.94
b) Banks / FI	87166	-	87166	0.11	141102	-	141102	0.16	0.05
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	3270628	-	3270628	3.96	3912296	-	3912296	4.30	0.34
g) FIs	652265	-	652265	0.79	6792978	-	6792978	7.47	6.68
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	4020455		4020455	4.87	16262759		16262759	17.87	13.00
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	12941285	-	12941285	15.66	6452864	-	6452864	7.09	(8.57)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	3316033	225	3316258	4.01	5709240	125	5709365	6.28	2.27
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1613886	-	1613886	1.95	1576305	-	1576305	1.73	(0.22)
c) Others (specify)									
- Qualified Foreign Investors	5785	-	5785	0.01	-	-	-	-	(0.01)
- Non Resident (Repat)	1017069	-	1017069	1.23	883704	-	883704	0.97	(0.26)
- Non Resident (Non Repat)	43713	-	43713	0.05	120473	-	120473	0.13	0.08
- Clearing Member	187329	-	187329	0.23	269809	-	269809	0.30	0.07
- Trust	87	-	87	0.00	1064	-	1064	0.00	0.00
- Foreign Portfolio Investor (Corporate)	-	-	-	-	220324	-	220324	0.24	0.24
Sub-total (B)(2):-	19125187	225	19125412	23.14	15233783	125	15233908	16.74	(6.40)
Total Public Shareholding (B) = (B)(1)+(B)(2)	23145642	225	23145867	28.01	31496542	125	31496667	34.62	6.61
C. Shares held by Custodian for GDRs & ADRs									
GRAND TOTAL (A+B+C)	82631244	225	82631469	100.00	90982144	125	90982269	100	-

* decrease in the percentage of total shares of the Company is due to ESOS and QIP allotment during the financial year 2014-15.

ANNEXURE 2 TO THE DIRECTORS' REPORT (CONTD.)

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	% change in share holding during the year
1	Cloverdell Investment Ltd	58237645	70.48	0.00	58237645	*64.01	0.00	*(6.74)
2	Dayside Investment Ltd	1247957	1.51	0.00	1247957	*1.37	0.00	*(0.14)
	Total	59485602	71.99	0.00	59485602	*65.38	0.00	*(6.61)

* decrease in the percentage of total shares of the Company is due to ESOS and QIP allotment during the financial year 2014-15.

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	59485602	71.99	59485602	71.99
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change during the year			
	At the End of the year	59485602	*65.38	59485602	*65.38

* decrease in the percentage of total shares of the Company is due to ESOS and QIP allotment during the financial year 2014-15.

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

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No of Shares at beginning (01.04.2014)/end of the year (31.03.2015)	% of total shares of the Company				No of shares	% of total shares of the Company
1	JV and Associates LLP	4773795	5.78	1-Apr-14	0	Nil Movement during the year		
		4773795	*5.25	31-Mar-15			4773795	*5.25
2	Birla Sun Life Trustee Company Private Limited	0	0.00	1-Apr-14				
	(various sub accounts)			26-Mar-15	3282000	QIP Allotment	3282000	3.60
				31-Mar-15	35000	Purchase	3317000	3.64
		3317000	3.65	31-Mar-15				

ANNEXURE 2 TO THE DIRECTORS' REPORT (CONTD.)

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No of Shares at beginning (01.04.2014)/end of the year (31.03.2015)	% of total shares of the Company				No of shares	% of total shares of the Company
3	HDFC Standard Life Insurance Company Limited	3250000	3.93	1-Apr-14				
				30-Jun-14	668	Purchase	3250668	3.93
				26-Mar-15	641000	QIP Allotment	3891668	4.28
		3891668	4.28	31-Mar-15				
4	Swiss Finance Corporation (Mauritius) Limited	0	0.00	1-Apr-14				
				26-Mar-15	1977900	QIP Allotment	1977900	2.17
		1977900	2.17	31-Mar-15				
5	Goldman Sachs India	-	-	1-Apr-14				
				26-Mar-15	1491400	QIP Allotment	1491400	1.64
				27-Mar-15	40131	Purchase	1531531	1.68
				31-Mar-15	36500	Purchase	1568031	1.72
		1568031	1.72	31-Mar-15				
6	DSP Blackrock Micro Cap Fund	-	-	1-Apr-14				
				6-Jun-14	664051	Purchase	664051	0.80
				13-Jun-14	51054	Purchase	715105	0.86
				20-Jun-14	111439	Purchase	826544	1.00
				4-Jul-14	85100	Purchase	911644	1.10
				11-Jul-14	54693	Purchase	966337	1.17
				1-Aug-14	50000	Purchase	1016337	1.23
				8-Aug-14	127929	Purchase	1144266	1.38
				29-Aug-14	88568	Purchase	1232834	1.49
				31-Dec-14	125012	Purchase	1357846	1.63
			1357846	*1.49	31-Mar-15			
7	Government Pension Fund Global	0	0.00	1-Apr-14				
				21-Nov-14	1347741	Purchase	1347741	1.62
		1347741	*1.48	31-Mar-15				

ANNEXURE 2 TO THE DIRECTORS' REPORT (CONTD.)

Sr. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No of Shares at beginning (01.04.2014)/end of the year (31.03.2015)	% of total shares of the Company				No of shares	% of total shares of the Company
8	Reliance Capital Trustee Co. Ltd	0	0.00	1-Apr-14				
	(various sub accounts)			23-May-14	1510915	Purchase	1510915	1.83
				18-Jul-14	-65843	Sale	1445072	1.74
				25-Jul-14	-95450	Sale	1349622	1.63
				1-Aug-14	-38707	Sale	1310915	1.58
				19-Sep-14	-61960	Sale	1248955	1.51
				30-Sep-14	-405800	Sale	843155	1.02
				31-Oct-14	-62959	Sale	780196	0.94
				7-Nov-14	-45200	Sale	734996	0.88
				21-Nov-14	-22203	Sale	712793	0.86
				23-Jan-15	-37100	Sale	675693	0.81
				30-Jan-15	-4600	Sale	671093	0.81
		671093	*0.74	31-Mar-15				
9	Alok Oberoi	939000	1.14	1-Apr-14				
				14-Nov-14	-100000	Sale	839000	1.01
				31-Dec-14	-750	Sale	838250	1.01
				2-Jan-15	-108599	Sale	729651	0.88
				9-Jan-15	-90651	Sale	639000	0.77
				16-Jan-15	-50000	Sale	589000	0.71
				23-Jan-15	-25000	Sale	564000	0.68
		564000	*0.62	31-Mar-15				
10	National Westminster Bank Plc As Trustee Of The Jupiter India Fund	0	0.00	1-Apr-14				
				23-May-14	446172	Purchase	446172	0.54
		446172	*0.49	31-Mar-15				

ANNEXURE 2 TO THE DIRECTORS' REPORT (CONTD.)

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No of Shares at beginning (01.04.2014)/end of the year (31.03.2015)	% of total shares of the Company				No of shares	% of total shares of the Company
11	Morgan Stanley Asia (Singapore) PTE.	122672	0.15	1-Apr-14				
	(various sub accounts)			9-May-14	-38883	Sale	83789	0.10
				16-May-14	-16907	Sale	66882	0.08
				23-May-14	-66882	Sale	0	0.00
				23-Jan-15	20000	Purchase	20000	0.02
				20-Mar-15	80000	Purchase	100000	0.12
				26-Mar-15	300000	QIP Allotment	400000	0.44
		400000	0.44	31-Mar-15				

* decrease in the percentage of total shares of the Company is due to ESOS and QIP allotment during the financial year 2014-15.

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No of Shares at beginning (01.04.2014)/end of the year (31.03.2015)	% of total shares of the Company				No of shares	% of total shares of the Company
1	** V Vaidyanathan Chairman and Managing Director	341496	0.41	1-Apr-14	0	Nil Movement during the year		
		341496	*0.38	31-Mar-15			341496	*0.38
2	Pankaj Sanklecha Chief Financial Officer and Head - Corporate Centre	0	0.00	1-Apr-14		Esos Allotment		
				9-Apr-14	12500		12500	0.01
				7-Jul-14	12500		25000	0.03
				21-Jul-14	25000		50000	0.06
				29-Sep-14	10000		60000	0.07
				5-Dec-14	8500		68500	0.08
				3-Mar-15	10000		78500	0.09
		78500	0.09	31-Mar-15				

ANNEXURE 2 TO THE DIRECTORS' REPORT (CONTD.)

Sr. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No of Shares at beginning (01.04.2014)/end of the year (31.03.2015)	% of total shares of the Company				No of shares	% of total shares of the Company
3	Satish Gaikwad Head - Legal, Compliance and Company Secretary	0	0.00	1-Apr-14		0		
		0	0.00	31-Mar-15			0	0.00

* decrease in the percentage of total shares of the Company is due to ESOS and QIP allotment during the financial year 2014-15.

** In addition, JV and Associates LLP, in which Mr. V. Vaidyanathan is a partner, holds 4,773,795 shares.

Note: Mr. Vishal Mahadevia, Mr. N. C. Singhal, Mr. M. S. Sundararajan, Mr. Hemang Raja, Dr.(Mrs.) Brinda Jagirdar, Mr. Dinesh Kanabar and Mr. Narendra Ostawal did not hold any shares of the Company during financial year 2014-15.

V. INDEBTEDNESS

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

(₹ in Million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	76,519	7,400	-	83,919
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	205	82	-	287
Total (i+ii+iii)	76,724	7,482	-	84,206
Change in Indebtedness during the financial year				
Addition	14,750	26,401	-	41,151
Reduction	16,544	26,651	-	43,195
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	74,725	7,150	-	81,875
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	184	109	-	293
Total (i+ii+iii)	74,909	7,259	-	82,168

ANNEXURE 2 TO THE DIRECTORS' REPORT (CONTD.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

Sl. No.	Particulars of Remuneration Paid during FY 2014-15	Name of Managing Director
		Mr. V. Vaidyanathan
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 4,12,05,479/-*
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NA
2.	Stock Option granted during the year	65,00,000 options
3.	Sweat Equity	NA
4.	Commission - as % of profit - others, specify...	NA
5.	Others, please specify	NA
	Total	₹ 4,12,05,479/-
	Ceiling as per the Act	₹ 9,59,87,044/-

* Gross Remuneration of Mr. V. Vaidyanathan includes ₹ 12,05,479/- provision made for Leave Encashment during 2013-14 which was paid in FY 2014-15 but excludes amount related to Provident Fund. It also excludes amount related to Leave Encashment and performance bonus of ₹ 2,00,00,000/- payable for financial year 2014-15 which is paid in FY 2015-16.

B. REMUNERATION TO OTHER DIRECTORS:

Sl. No.	Particulars of Remuneration Paid during FY 2014-15	Name of Directors						Total Amount
		N C Singhal	M S Sundararajan	Hemang Raja	Brinda Jagirdar*	Dinesh Kanabar**	Anil Singhvi@	
1. Independent Directors								
	Fee for attending board / committee meetings	3,60,000	3,20,000	4,40,000	1,40,000	40,000	2,40,000	15,40,000
	Commission Paid during FY 2014-15	15,00,000	15,00,000	15,00,000	N.A.	N.A.	15,00,000	60,00,000
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	18,60,000	18,20,000	19,40,000	1,40,000	40,000	17,40,000	75,40,000
Sl. No.	Particulars of Remuneration Paid during FY 2014-15	Name of Directors				Total Amount		
		Vishal Mahadevia		Narendra Ostawal#				
	Fee for attending board / committee meetings	Not Applicable				Not Applicable		
	Commission							
	Others, please specify							
	Total (2)					0		
	Total (B)=(1+2)					75,40,000		
	Overall Ceiling as per the Act					1,91,97,409		

*Dr.(Mrs.) Brinda Jagirdar appointed as an Additional Director with effect from September 24, 2014

**Mr. Dinesh Kanabar appointed as an Additional Director with effect from January 06, 2015.

@ Mr. Anil Singhvi resigned from the Board with effect from December 22, 2014.

Mr. Narendra Ostawal was appointed as Additional Director with effect from January 06, 2015.

N.A. - Not Applicable since the commission was paid for FY 2013-14.

ANNEXURE 2 TO THE DIRECTORS' REPORT (CONTD.)

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

Sl. No.	Particulars of Remuneration Paid during FY 2014-15	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary	₹ 34,97,769	₹ 1,74,65,559	₹ 2,09,63,328
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	* ₹ 72,12,250	₹ 72,12,250
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	NA	NA
2.	Stock Option granted during FY 2014-15	5,000 options	Nil	5,000 options
3.	Sweat Equity	NA	NA	NA
4.	Commission - as % of profit - others, specify...	NA	NA	NA
5.	Others, please specify	NA	NA	NA
	Total	₹ 34,97,769	₹ 2,46,77,809	₹ 2,81,75,578

* Remuneration includes perquisites relating to value of stock options.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:-

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

ANNEXURE 3 TO THE DIRECTORS' REPORT

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	Kindly refer the Corporate Social Responsibility policy as stated herein below at the Company's website. The Web Link is http://www.capfirst.com/pdfs/corporate-social-responsibility-policy.pdf
2.	The Composition of the CSR Committee	1. Mr. Hemang Raja - Chairman 2. Dr. (Mrs.) Brinda Jagirdar - Member 3. Mr. Vishal Mahadevia - Member 4. Mr. V. Vaidyanathan - Member
3.	Average net profit of the company for last three financial years	₹ 96,70,18,485/-
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	₹ 1,93,40,370/-
5.	Details of CSR spent during the financial year:-	
	a) Total amount to be spent for the financial year	₹ 1,93,40,370/-
	b) Amount Unspent, if any	₹ 1,18,40,370/-
	c) Manner in which the amount spent during the financial year as given below:	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs (1) Direct expenditure on projects or programs (2) Overhead	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Contributions to Prime Minister's National Relief Fund which was to be used for providing assistance to the victim of flood in Jammu and Kashmir	Disaster Relief	State: Jammu & Kashmir	50 lakh	Direct expenditure on projects or programs - 50 Lakhs	50 Lakhs	Prime Minister's National Relief Fund
2.	Preventive Healthcare	Healthcare	Providing palliative care training for cancer patient families State:- Maharashtra District:- Mumbai	25 Lakh	Direct expenditure on projects or programs - 25 Lakhs	25 Lakhs	Dr. Ernest Borges Memorial Home & Rehabilitation Research Centre

Details of implementing agency: Direct Donations have been given after considering the proposal by CSR Committee and approval of the Board.

ANNEXURE 3 TO THE DIRECTORS' REPORT (CONTD.)

6. In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:

The CSR Committee of the Board of Directors had approved the CSR Policy and also identified the areas of CSR activities it proposed to carry out viz. Education, Health and Women Empowerment.

The Company is in the process of exploring various options for CSR activities that can deliver the maximum impact to society. In the interim, for the financial year 2014-15, it was decided to donate to 'Prime Minister's National Relief Fund' and to 'Dr. Ernest Borges Memorial Home & Rehabilitation Research Centre' for providing palliative care training for cancer patient families as a part of CSR Activity. The Company is deeply cautious to the cause of Corporate Social Responsibility and will put a comprehensive programme for the same during the FY 2015-16.

Accordingly, the Board on the recommendations of CSR Committee for the FY 2014-15 approved the donation of an amount of ₹ 50 lakhs to Prime Minister's National Relief Fund and ₹ 25 lakhs to Dr. Ernest Borges Memorial Home & Rehabilitation Research Centre for providing palliative care training for cancer patient families, out of required CSR Spent amount viz. ₹ 1.93 crore and the donations were made accordingly.

7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company. The Company is confident that it will be in a position to implement a more comprehensive CSR program for FY 2015-16.

For Capital First Limited

V. Vaidyanathan

Chairman & Managing Director

DIN: 00082596

Hemang Raja

Chairman of Corporate Social Responsibility Committee

DIN: 00040769

ANNEXURE 4 TO THE DIRECTORS' REPORT

DISCLOSURES AS REQUIRED PURSUANT TO ESOS/ESPS

(I) CFL EMPLOYEES' SHARE PURCHASE SCHEME(S)

The Company has two Employees' Share Purchase Schemes viz. CFL Employees Share Purchase Scheme – 2007 (CFL ESPS -2007) and CFL Employees Share Purchase Scheme – 2008 (CFL ESPS - 2008). The disclosures below are in respect of the year ended March 31, 2015.

Number of Equity Shares issued during the year	During the year, no equity shares were allotted to any employee under the CFL ESPS – 2007 & 2008.
Price at which Equity Shares were issued during the year	N.A.
Employee-wise details of Equity Shares issued during the year to:	
i) Directors and senior managerial employees	Nil
ii) any other employee who is issued Equity Shares in any one year amounting to 5% or more of Equity Shares issued during that year	Nil
iii) identified employees who are issued Equity Shares, during any one year equal to or exceeding 1% of the issued capital of our Company at the time of issuance	Nil
Diluted EPS pursuant to issuance of Equity Shares under ESPS during the year	N.A.
Consideration received against the issuance of Equity Shares	Nil

(II) CFL EMPLOYEES STOCK OPTIONS SCHEME(S)

The Stock Options granted to the employees currently operate under six schemes viz. CFL Employees Stock Option Scheme– 2007 (CFL ESOS – 2007), CFL Employees Stock Option Scheme – 2008 (CFL ESOS – 2008), CFL Employees Stock Option Scheme – 2009 (CFL ESOS – 2009), CFL Employees Stock Option Scheme – 2011 (CFL ESOS – 2011), CFL Employees Stock Option Scheme – 2012 (CFL ESOS – 2012) and CMD Employees Stock Option Scheme – 2014 (CMD ESOS – 2014) (collectively referred as 'Schemes'). The disclosures below are in respect of the year ended March 31, 2015.

Options Granted during the year	CFL ESOS – 2007 : Nil CFL ESOS – 2008 : 2,85,000 CFL ESOS – 2009 : Nil CFL ESOS – 2011 : 3,30,000 CFL ESOS – 2012 : Nil CMD ESOS 2014 – 65,00,000
The pricing formula	As per the Schemes approved pursuant to the SEBI Regulations
Options Vested	CFL ESOS – 2007 : 3,44,000 CFL ESOS – 2008 : 70,250 CFL ESOS – 2009 : 3,00,000 CFL ESOS – 2011 : 7,48,438 CFL ESOS – 2012 : 5,12,750 CMD ESOS – 2014: Nil
Options Exercised	CFL ESOS – 2007 : Nil CFL ESOS – 2008 : 1,52,250 CFL ESOS – 2009 : 26,250 CFL ESOS – 2011 : 2,35,250 CFL ESOS – 2012 : 2,44,750 CMD ESOS – 2014: Nil
The total number of shares arising as a result of exercise of option	6,58,500 Equity Shares

ANNEXURE 4 TO THE DIRECTORS' REPORT (CONTD.)

Options lapsed/cancelled/forfeited	CFL ESOS – 2007 : Nil CFL ESOS – 2008 : 2,07,500 CFL ESOS – 2009 : 23,750 CFL ESOS – 2011 : 4,21,875 CFL ESOS – 2012 : 1,83,750 CMD ESOS 2014: Nil
Variation of terms of options	N.A.
Money realized by exercise of options	₹ 105,006,144/-
Total Number of options in force	CFL ESOS – 2007 : 344,000 CFL ESOS – 2008 : 437,750 CFL ESOS – 2009 : 300,000 CFL ESOS – 2011 : 1,051,875 CFL ESOS – 2012 : 16,21,500 CMD ESOS – 2014 : 65,00,000
Employee-wise details of options granted during the year to: i) Directors and senior managerial personnel ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Refer Note 1
Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS-20) ('Earnings Per Share')	Diluted EPS calculated in accordance with AS-20 is ₹ 13.11 (Consolidated) per share and ₹ 12.85 (Standalone) per share for the FY 2014-15.
Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	* Had the Company followed the fair value method for accounting the Stock Options, compensation expense would have been higher by ₹ 4001.70 Lakhs with consequent lower Consolidated profits. On account of the same the diluted EPS of the Company (Consolidated) would have been less by ₹ 4.59 per share.
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted Avg. Exercise Price CFL ESOS – 2007 : 257.35 CFL ESOS – 2008 : 177.55 CFL ESOS – 2009 : 250.85 CFL ESOS – 2011 : 153.15 CFL ESOS – 2012 : 186.44 CMD ESOS 2014 : 207.00 Weighted Avg. Fair Value CFL ESOS – 2007 : 146.37 CFL ESOS – 2008 : 96.24 CFL ESOS – 2009 : 147.95 CFL ESOS – 2011 : 80.88 CFL ESOS – 2012 : 88.93 CMD ESOS 2014 : 117.24

ANNEXURE 4 TO THE DIRECTORS' REPORT (CONTD.)

A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	
i) risk-free interest rate	CFL ESOS – 2007 : NA CFL ESOS – 2008 : 8.02% - 8.93% CFL ESOS – 2009 : NA CFL ESOS – 2011 : 8.02% - 8.93% CFL ESOS – 2012 : NA CMD ESOS 2014 : 8.02% - 8.93%
ii) expected life	CFL ESOS – 2007 : 5.47 years CFL ESOS – 2008 : 10.54 years CFL ESOS – 2009 : 5.54 years CFL ESOS – 2011 : 8.04 years CFL ESOS – 2012 : 8.64 years CMD ESOS 2014 : 10.90 years
iii) expected volatility	CFL ESOS – 2007 : NA CFL ESOS – 2008 : 46.43% - 52.72% CFL ESOS – 2009 : NA CFL ESOS – 2011 : 46.43% - 52.72% CFL ESOS – 2012 : NA CMD ESOS 2014 : 46.43% - 52.72%
iv) expected dividends	CFL ESOS – 2007 : NA CFL ESOS – 2008 : 0.57% - 1.15% CFL ESOS – 2009 : NA CFL ESOS – 2011 : 0.57% - 1.15% CFL ESOS – 2012 : NA CMD ESOS 2014 : 0.57% - 1.15%
v) the price of the underlying shares in market at the time of option grant	Same as that of Grant Price

*Note: Above figures are derived by considering the Options granted to the employees of the Company and its subsidiaries.

Note 1: Details of the options granted under ESOS to the Directors and Senior Managerial personnel of Capital First Limited during the fiscal year 2015 and its subsidiaries are as under:

Sr. No.	Particulars	Position	Number of options granted under CMD ESOS – 2014	Number of options granted under CFL ESOS – 2008
a	Directors and Senior Managerial personnel			
	Mr. V. Vaidyanathan	Chairman and Managing Director	65,00,000	-
	Mr. Pankaj Sanklecha	Chief Financial Officer & Head Corporate Centre	-	-
	Mr. Apul Nayyar	CEO – Retail & SME Business	-	1,00,000
	Mr. Nihal Desai	Chief Risk Officer	-	-
	Mr. Adrian Andrade	Head - Human Resources & Administration	-	-
b.	Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	None		
c.	Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Mr. V. Vaidyanathan (Chairman and Managing Director) Number of options granted under CMD ESOS – 2014 - 65,00,000 options		

ANNEXURE 5 TO THE DIRECTORS' REPORT

PARTICULARS PURSUANT TO SECTION 197(12) AND THE RELEVANT RULES:

- a) The ratio of the remuneration of each director to the median employee's remuneration for the financial year and such other details and the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year as prescribed is as given below:

Name of each Director/ KMP	Ratio of Remuneration of each Director/ to median Remuneration of Employees	% Increase in Remuneration in the FY 14-15
# Mr V. Vaidyanathan, <i>Chairman & Managing Director</i>	84.8:1	-6.2
Mr. N. C. Singhal, <i>Non Executive Independent Director</i>	3.8:1	31
® Mr. Vishal Mahadevia, <i>Non Executive Director</i>	N.A.	N.A.
^ Mr. Hemang Raja, <i>Non Executive Independent Director</i>	4.0:1	471
^ Mr. M. S. Sundara Rajan, <i>Non Executive Independent Director</i>	3.7:1	435
*Dr (Mrs.) Brinda Jagirdar, <i>Non Executive Independent Director</i>	N.A.	N.A.
*Mr. Dinesh Kanabar, <i>Non Executive Independent Director</i>	N.A.	N.A.
® Mr. Narendra Ostawal, <i>Non Executive Director</i>	N.A.	N.A.
**Mr. Anil Singhvi, <i>Non Executive Independent Director</i>	N.A.	N.A.
Mr. Pankaj Sanklecha, <i>Chief Financial Officer & Head - Corporate Centre</i>	N.A.	57.8
Mr. Satish Gaikwad, <i>Head - Legal Compliance & Company Secretary</i>	N.A.	33.7

Percentage increase reflects remuneration paid in 2013-14 & 2014-15.

The percentage reflects negative due to amount of leave encashment paid which was less in 2014 -15 compared to 2013-14.

® Not paid any remuneration.

* Details of Dr (Mrs.) Brinda Jagirdar and Mr. Dinesh Kanabar, Directors not provided since appointed during the financial year 2014-15 i.e. from September 24, 2014 and January 06, 2015 respectively.

** Details of Mr. Anil Singhvi not given as he was Director only for part of the financial year 2014-15 i.e. upto December 22, 2014.

^ Mr. Hemang Raja and Mr. M. S. Sundara Rajan, Directors were appointed on February 06, 2013 and their remuneration for the FY 2013-14 includes commission paid on pro-rata basis for the FY 2012-13.

- b) The percentage increase in the median remuneration of employees in the financial year was 9.71%.
- c) The Company has 1070 permanent Employees on the rolls of Company as on 31st March, 2015.
- d) The explanation on the relationship between average increase in remuneration and company performance, on standalone basis:

The Profit Before tax for FY 2014-15 was higher by 295% at ₹ 161.32 crores compared to FY 2013-14 which was ₹ 40.89 crores. The Profit After tax for FY 2014-15 was higher by 203% at ₹ 112.02 crores compared to FY 2013-14 which was ₹ 36.98 crores. The average increase in median remuneration was in line with the performance of the Company.

ANNEXURE 5 TO THE DIRECTORS' REPORT (CONTD.)

- e) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:

Name	Designation	Remuneration (as of March 15)	% Increase in Remuneration	PAT (₹ in crore)	% Increase in PAT
				Standalone	
Mr. V. Vaidyanathan	Chairman & Managing Director	*4,12,05,479	# -6.2	112.02	203%
Mr. Pankaj Sanklecha	Chief Financial Officer & Head - Corporate Centre	**2,46,77,809	57.8	112.02	203%
Mr. Satish Gaikwad	Head -Legal, Compliance & Company Secretary	34,97,769	33.7	112.02	203%

* Gross Remuneration of Mr. V. Vaidyanathan includes ₹ 12,05,479/- provision made for Leave Encashment during 2013-14 which was paid in FY 2014-15 but excludes amount related to Provident Fund. It also excludes amount related to Leave Encashment and performance bonus of ₹ 2,00,00,000/- payable for financial year 2014-15 which is paid in FY 2015-16.

The percentage reflects negative due to amount of leave encashment paid which was less in 2014 -15 compared to 2013-14.

** Remuneration includes perquisites relating to value of stock options.

- f) Variations in the market capitalisation 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 variations in the net worth of the company as at the close of the current financial year and previous financial year:

The Market Capitalisation of the Company as on March 31, 2015 was ₹ 3633.83 crores as compared to ₹ 1478.28 crores as on March 31, 2014. The Price Earning Ratio of the Company was 29.63 as at March 31, 2015 and was 34.40 as at March 31, 2014. The closing share price of the Company at NSE Limited as on March 31, 2015 being ₹ 399.40/- per equity share of face value of ₹ 10/- each has decreased by 52.21% since the last public offer (IPO) made in the year 2008 (Offer Price was ₹ 765/- per equity share of face value of ₹ 10/- each).

The Company had raised primary equity at the issue price of ₹ 162 on September 28, 2012 from Warburg Pincus. On said date there being a change of ownership in the Company and formation of Capital First. Since then there was an increase by 153% from closing price ie. ₹ 157.40 per equity share on September 28, 2012 to ₹ 399.40 per equity share as on March 31, 2015 and Market Capitalisation increased by 240% from ₹ 1068.51 crore as on September 28, 2012 to ₹ 3633.83 crore as on March 31, 2015.

The Company also had raised primary capital by issue of equity shares on preferential basis at an issue price of ₹ 153.80 inter alia to Warburg Pincus on March 28, 2014 and since then there was an increase by 134% from closing price ie. ₹ 170.55 per equity share on March 28, 2014 to ₹ 399.40 per equity share as on March 31, 2015 and Market Capitalisation increased by 157% from ₹ 1409.28 crore as on March 28, 2014 to ₹ 3633.83 crore as on March 31, 2015.

- g) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 as compared to FY 2013-14 was 14.87% whereas the increase in the managerial remuneration for the same financial year was 11.55%. The average increases every year is an outcome of Company's market competitiveness as against its peer group companies. In keeping with our reward philosophy and benchmarking results, the increases this year reflect the market practice.
- h) The key parameters for any variable component of remuneration availed by the directors:
Non Executive Independent Directors, have not been paid any remuneration except Sitting Fees and Commission. Mr. Vishal Mahadevia & Mr. Narendra Ostawal, Non Executive Directors are not paid any remuneration. Mr. V. Vaidyanathan's variable component of remuneration is paid in the form of Bonus, on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- i) 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: N.A.
- j) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

ANNEXURE 6 TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Capital First Limited
15th Floor, Tower -2,
Indiabulls Finance Centre,
Senapati Bapat Marg, Elphinstone,
Mumbai – 400 013

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Capital First 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 my 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 authorised representatives during the conduct of secretarial audit, we hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 ('**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 March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment (**The Company has not availed External Commercial Borrowings during the Audit Period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on October 28, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (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;

ANNEXURE 6 TO THE DIRECTORS' REPORT – SECRETARIAL AUDIT REPORT (CONTD.)

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not Applicable to the Company during the Audit Period**).
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not Applicable to the Company during the Audit Period**).
- (vi) Reserve Bank of India Act, 1934 to the extent of provisions applicable to Non-Banking Financial Companies and Regulations made thereunder.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (**Not notified during the Audit Period and hence not applicable to the Company**).
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

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

We further report that

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

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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.

We further report that during the audit period:

- (a) the Company has issued and allotted 500 non-convertible debentures on private placement basis having face value of ₹ 10,00,000/- each
- (b) the Company has issued and allotted 76,92,300 equity shares at a price of ₹ 390/- per equity share (including a premium of ₹ 380/- per equity share) to Qualified Institutional Buyers in terms of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009

For Makarand M. Joshi & Co

Makarand Joshi
Partner
FCS No. 5533
CP No. 3662

Place : Mumbai

Date : May 13, 2015

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION:

Clause 49 of the Listing Agreement executed with the Stock Exchange(s), *inter alia*, lists down various corporate governance related practices and requirements, which listed companies are required to adopt and follow. This Report outlines the governance practices followed by the Company in compliance with the said requirements of the Listing Agreement.

PHILOSOPHY ON CORPORATE GOVERNANCE:

The Corporate Governance philosophy of the Company is driven by the following fundamental principles which ensure:

- conduct of the affairs of the Company in an ethical manner;
- transparency in all dealings;
- highest level of responsibility and accountability in dealing with various stakeholders of the Company;
- compliance with applicable statutes and regulations;
- timely dissemination of all price sensitive information and matters of interest to stakeholders through proper channel.

The Company firmly believes in good corporate governance and endeavours to implement the Code of Corporate Governance in its true spirit. The philosophy of the Company in relation to corporate governance is to ensure transparency in all its operations, make disclosures, and enhance shareholder value without compromising in any way on compliance with the laws and regulations. The Company believes that good governance brings about sustained corporate growth and long-term benefits for stakeholders.

BOARD OF DIRECTORS (“BOARD”)

The Board of Directors includes the Executive, Non-Executive and Independent Directors with a majority of Independent Directors so as to ensure proper governance and management.

The Corporate Governance principles of the Company have been formulated to ensure that the Board remains informed, independent and participates actively in the affairs of the Company. The Company also strives to enhance stakeholders’ value by taking measures to continuously improve Corporate Governance standards.

The Directors at Capital First Limited (‘Capital First’) possess the highest personal and professional ethics, integrity and values and are committed to represent the long-term interest

of the stakeholders. The Company’s business is led by Mr. V. Vaidyanathan, Chairman & Managing Director under the overall supervision of the Board.

The Company’s Corporate Governance framework is based on having a composition wherein a majority of Directors are Independent Board Members. Further, the constitution of Board Committees meet all statutory requirements of various regulatory authorities including the Reserve Bank of India, SEBI and MCA, and committees are chaired by Independent Directors, wherever required by law. Committees have been suitably constituted for significant and material matters and also have a blend of Executive Management Members to assist the Committees. The Board plays an effective supervisory role through the above governance framework.

Composition of the Board

During the year under review, the Board of Directors of the Company had an optimum combination of Professional and Independent Directors with excellent knowledge and experience in various fields relating to the business activities of the Company.

As at March 31, 2015, the Board of Directors of the Company consisted of, five Independent Directors, two Non-Executive Director and one Executive Director.

None of the Directors hold directorship in more than ten public limited companies or act as an Independent Director in more than seven Listed Companies, none of the Directors acts as a member of more than ten Committees or Chairman of more than five Committees as on March 31, 2015 across all public limited companies in which they are Directors.

During the financial year 2014-15, Eight Meetings of the Board of Directors were held on following days: April 02, 2014; May 08, 2014; August 05, 2014; September 24, 2014; November 07, 2014; December 22, 2014; January 06, 2015 and February 10, 2015 with the time gap between any two consecutive Meetings being not more than four months at any point in time.

The details of the number of Board and General Meeting(s) attended by each Director during the year ended March 31, 2015 and Directorship and/or Membership/Chairmanship of the Committees of Board (except private companies, Non Profit companies and foreign companies) held by each of them as on March 31, 2015, are given below:

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Name of the Director	Category	Attendance Particulars			No. of outside Directorships	No. of committee positions held (including in company)	
		No. of Board Meetings held during tenure of the Director	No. Board Meetings attended by the Director	Attended the last AGM		Chairman	Member@
Mr. V. Vaidyanathan	Chairman & Managing Director	08	08	Yes	-	-	01
Mr. N. C. Singhal	Non-Executive & Independent Director	08	08	Yes	09	03	07
Mr. Vishal Mahadevia	Non-Executive Non-Independent Director	08	06	Yes	04	-	01
Mr. Hemang Raja	Non-Executive & Independent Director	08	08	No	02	-	01
Mr. M S Sundara Rajan	Non-Executive & Independent Director	08	07	Yes	09	04	10
Dr. (Mrs.) Brinda Jagirdar*	Non-Executive & Independent Director	05	05	NA	02	01	02
Mr. Dinesh Kanabar^	Non-Executive & Independent Director	02	01	NA	-	01	01
Mr. Narendra Ostawal #	Non-Executive Non-Independent Director	02	02	NA	-	-	-
Mr. Anil Singhvi**	Non-Executive & Independent Director	06	06	Yes	NA	NA	NA

*Dr. (Mrs.) Brinda Jagirdar has been appointed as an Additional Director with effect from September 24, 2014.

^ Mr. Dinesh Kanabar has been appointed as an Additional Director with effect from January 06, 2015.

Mr. Narendra Ostawal has been appointed as an Additional Director with effect from January 06, 2015.

**Mr. Anil Singhvi resigned from the Board with effect from December 22, 2014.

@ The Chairman of the Committee is also counted as member of the Committee. For the purpose of computation of Committee membership, only membership of Audit Committee and Stakeholders Relationship Committee are considered.

N.A. i.e Not Applicable denotes that the concerned Directors were not members of the Board at the time of respective Meetings. Also in case of other Directorships/Committee Membership, they ceased to be Director as on March 31, 2015

COMMITTEES OF THE BOARD OF DIRECTORS:

Under the aegis of the Board of Directors, several committees have been constituted which have been delegated powers for different functional areas. The Audit Committee, Stakeholder Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility (CSR) Committee have been constituted pursuant to and in accordance with the provisions of Listing Agreement, rules & regulations prescribed by Reserve Bank of India read with requirements of the Companies Act, 2013 and other applicable laws.

AUDIT COMMITTEE

Terms of Reference

The terms of reference of the Audit Committee has been revised in the Board Meeting held on May 08, 2014, in compliance with Companies Act, 2013 and revised Clause 49 of Listing Agreement as amended from time to time.

In addition to the matters provided in Clause 49 of the Listing Agreement and requirements of Section 177 of the Companies Act, 2013 and Reserve Bank of India, the Committee reviews the reports of the Internal Auditors, periodically meets the Statutory Auditors of the Company and discusses their findings,

REPORT ON CORPORATE GOVERNANCE (CONTD.)

observations, suggestions, scope of audit etc. and also reviews internal control systems and accounting policies followed by the Company. The Committee also reviews the financial statements with the management, before their submission to the Board.

The terms of reference of the Audit Committee of the Board of Directors of the Company, *inter alia* includes;

1. Overseeing the Company's financial reporting process and reviewing with the management, the financial statements before submission to the Board for approval;
2. Recommending to the Board the appointment, re-appointment and replacement of the Statutory Auditor and fixing their fees;
3. Reviewing the internal audit function of the Company; and
4. Such other matters as specified under Clause 49 of the Listing Agreement and requirements of Section 177 of the Companies Act, 2013 and Reserve Bank of India or as may be delegated by the Board of Directors of the Company.

Composition and Attendance of Meeting:

The Audit Committee comprises of following four Members and three of them are Independent Directors:

- Mr. Dinesh Kanabar - Chairman
- Mr. N. C. Singhal - Member
- Mr. Vishal Mahadevia - Member
- Mr. M S Sundara Rajan - Member

Mr. Satish Gaikwad, Head - Legal, Compliance and Company Secretary, acts as Secretary to the Committee

All the Members of the Committee have vast experience and knowledge of finance, accounts and corporate laws with the Chairman of the Committee being an eminent Chartered Accountant, who has finance, accounting and taxation related expertise.

The quorum for the Meeting of the Audit Committee is as per applicable laws.

During the year under review, the Committee met four times, i.e. May 08, 2014; August 05, 2014; November 07, 2014 and February 10, 2015. The details of the attendance of Directors at Audit Committee meetings during the financial year are as under:

Name	Number of Audit Committee Meeting(s) Attended
Mr. Dinesh Kanabar*	01
Mr. N. C. Singhal	04
Mr. Vishal Mahadevia	03
Mr. M S Sundara Rajan	04
Mr. Anil Singhvi**	03

* Mr. Dinesh Kanabar was appointed as Chairman and Member of the Committee with effect from January 06, 2015.

** Mr. Anil Singhvi ceased to be Chairman and Member of the Committee with effect from December 22, 2014.

The minutes of the Audit Committee Meetings forms part of the documents placed before the Meetings of the Board. In addition, the Chairman of the Audit Committee appraises the Board Members about the significant discussions held at Audit Committee Meetings.

NOMINATION AND REMUNERATION COMMITTEE

Terms of reference:

The Committee was renamed as 'Nomination and Remuneration Committee' and the terms of reference of the said Committee has been revised in the Board Meeting held on May 08, 2014 in order to align with the provisions of Companies Act, 2013 and revised Clause 49 of Listing Agreement as amended from time to time.

The terms of reference of the Nomination and Remuneration Committee, broadly includes the following:

- Identifying and selection of candidates for appointment as Directors/Independent Director based on certain laid down criteria;
- Performing all such functions as are required to be performed by the Committee with regard to ESPS/ESOPs under the Regulations issued by Securities and Exchange Board of India from time to time.
- Such other matters as specified under Clause 49 of the Listing Agreement and requirements of Section 178 of the Companies Act, 2013 and Reserve Bank of India or as may be delegated by the Board of Directors of the Company.

Composition and Attendance at Meetings:

The Nomination and Remuneration Committee comprises of following four Members out of which three Members are Independent Directors:

- Mr. N. C. Singhal - Chairman
- Mr. Hemang Raja - Member
- Mr. M S Sundara Rajan - Member
- Mr. Vishal Mahadevia - Member

Mr. Satish Gaikwad, Head - Legal, Compliance and Company Secretary, acts as Secretary to the Committee.

During the year under review, the Committee met Four times, i.e. on April 02, 2014, May 08, 2014, September 18, 2014 and January 06, 2015. The details of the attendance of Directors at

REPORT ON CORPORATE GOVERNANCE (CONTD.)

meeting(s) of the Committee held during the financial year are as under:

Name	Number of Nomination and Remuneration Committee Meeting(s) Attended
Mr. N. C. Singhal	4
Mr. Vishal Mahadevia	2
Mr. Hemang Raja	4
Mr. M. S. Sundara Rajan	4

The minutes of the Meeting of Nomination and Remuneration Committee forms part of the documents placed before the Meetings of the Board.

STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of reference:

The terms of reference of the Shareholders'/Investors' Grievances and Share Transfer Committee has been revised and the existing Committee is renamed as "Stakeholders Relationship Committee" in the Board Meeting held on May 08, 2014 in order to align with the provisions of Companies Act, 2013 and revised Clause 49 of Listing Agreement as amended from time to time which *inter alia* includes carrying out such functions for redressal of grievances of shareholders, debenture holders and other security holders, including but not limited to, transfer of shares, non- receipt of annual report, non-receipt of dividend and any other grievance that a shareholder or investor of the Company may have against the Company. The Committee also oversees and approves Transfer/Transmission/Dematerialisation of shares, issue of Duplicate/Consolidated/Split Share Certificate(s) etc.

The Company has appointed M/s. Link Intime India Private Limited as its Registrar and Share Transfer Agent (RTA). The Stakeholders Relationship Committee recommends measures for overall improvement in the quality of investor services.

Composition:

The Stakeholders Relationship Committee comprises of the following three Members and two of them are Independent Directors:

- Dr. (Mrs.) Brinda Jagirdar - Chairperson
- Mr. Hemang Raja - Member
- Mr. V. Vaidyanathan - Member

Mr. Satish Gaikwad, Head - Legal, Compliance and Company Secretary, acts as Secretary to the Committee and is also the Compliance Officer under Listing Agreement. As the Compliance

Officer he is responsible for overseeing the redressal of the investors' grievances.

During the year under review, the Committee met four times, i.e. on May 08, 2014; August 05, 2014; November 07, 2014 and February 10, 2015. The details of the attendance of Directors at meeting(s) of the Committee held during the financial year are as under:

Name	Number of Stakeholders Relationship Committee Meeting(s) Attended
Dr. (Mrs.) Brinda Jagirdar*	N. A.
Mr. Hemang Raja	4
Mr. V. Vaidyanathan	4
Mr. Anil Singhvi**	3

* Dr. (Mrs.) Brinda Jagirdar was appointed as Chairperson and Member of the Committee with effect from February 10, 2015.

** Mr. Anil Singhvi ceased to be Member of the Committee with effect from December 22, 2014.

N.A. i.e. Not Applicable denotes that the concerned Directors was not a member at the time of respective meetings.

The minutes of the Stakeholders Relationship Committee Meetings forms part of documents placed before the Meetings of the Board of Directors.

The equity shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). As on March 31, 2015, the Company had 1,19,632 shareholders.

At the beginning of the year, there was no complaint/correspondence which were pending. During the year under review, the Company and M/s. Link Intime India Private Limited, the Registrar and Share Transfer Agent, received 11 complaints/ correspondence/ grievances. All the complaints/ correspondence/ grievances were resolved/replied during the year and none are pending as on March 31, 2015.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors had constituted Corporate Social Responsibility (CSR) Committee at its meeting held on May 08, 2014, as per requirements of the Companies Act, 2013 and its applicable rules.

Terms of reference:

The terms of reference of Corporate Social Responsibility Committee (CSR) broadly comprises of following responsibility:-

- To indicate the activities to be undertaken by the company as specified Schedule VII of the Companies Act, 2013;

REPORT ON CORPORATE GOVERNANCE (CONTD.)

- To recommend the amount of expenditure to be incurred on CSR Activities, monitor the CSR Policy of the Company from time to time, institute a transparent monitoring mechanism for implementation of CSR Projects or Programmes or activities undertaken by the Company.
- To perform any other function or duty as stipulated by the Companies Act, 2013 or under any applicable laws, as may be prescribed from time to time.

Composition:

The Corporate Social Responsibility Committee comprises of the following four Members and two of them are Independent Directors:

- Mr. Hemang Raja - Chairman
- Dr. (Mrs.) Brinda Jagirdar - Member
- Mr. Vishal Mahadevia - Member
- Mr. V. Vaidyanathan - Member

Mr. Satish Gaikwad, Head - Legal, Compliance and Company Secretary acts as a Secretary to the Committee.

During the year under review, the Committee met two times, i.e. on August 05, 2014 and March 26, 2015.

The details of the attendance of Directors at meeting(s) of the Committee held during the financial year are as under:

Name	Number of Corporate Social Responsibility Committee Meeting(s) Attended
Mr. Hemang Raja	2
Dr. (Mrs.) Brinda Jagirdar*	1
Mr. Vishal Mahadevia	2
Mr. V. Vaidyanathan	2

*Dr. (Mrs.) Brinda Jagirdar was appointed as Member of the Committee with effect from February 10, 2015.

The minutes of the Corporate Social Responsibility Committee Meetings forms part of documents placed before the Meetings of the Board of Directors.

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION POLICY:

Pursuant to the requirement of Companies Act, 2013 read with Rules, provision of Listing Agreement and Circular/Notification/ Directions issued by Reserve Bank of India from time to time, the Board of Directors on the recommendation of Nomination & Remuneration Committee at its Meeting held on April 01, 2015 had adopted Nomination and Remuneration Policy of Directors, Key Managerial Personnel, Senior management and other employees.

The detailed Policy is available on the website of the Company. The weblink is <http://www.capfirst.com/pdfs/nomination-and-remuneration-policy.pdf>

Details of Equity Shares & Stock Options held and remuneration of Directors for the year ended March 31, 2015: (Amt. in ₹)

Name of the Director	Equity Shares held	Stock Options Held	Sitting Fees	Gross Remuneration	Gross Commission for FY 2013-14 paid during FY 2014-15	Gross Commission for FY 2014-15 payable during FY 2015-16
Mr. V. Vaidyanathan	#51,15,291	74,91,000	-	^4,12,05,479	N.A.	N.A.
Mr. N. C. Singhal	-	-	3,60,000	N.A.	15,00,000	15,00,000
Mr. Vishal Mahadevia	-	-	N.A.	N.A.	N.A.	N.A.
Mr. Hemang Raja	-	-	4,40,000	N.A.	15,00,000	15,00,000
Mr. M. S. Sundara Rajan	-	-	3,20,000	N.A.	15,00,000	15,00,000
Dr. (Mrs.) Brinda Jagirdar*	-	-	1,40,000	N.A.	N.A.	7,50,000
Mr. Dinesh Kanabar**	-	-	40,000	N.A.	N.A.	3,75,000
Mr. Narendra Ostawal®	-	-	N.A.	N.A.	N.A.	N.A.
Mr. Anil Singhvi®®	-	-	2,40,000	N.A.	15,00,000	11,25,000

includes 47,73,795 equity shares held by JV and Associates LLP, in which Mr. V Vaidyanathan is a partner.

^ Gross Remuneration of Mr. V. Vaidyanathan includes ₹ 12,05,479/- provision made for Leave Encashment during 2013-14 which was paid in FY 2014-15 but excludes amount related to Provident Fund. It also excludes amount related to Leave Encashment and performance bonus of ₹ 2,00,00,000/- payable for financial year 2014-15 which is paid in FY 2015-16.

*Dr. (Mrs.) Brinda Jagirdar has been appointed as an Additional Director with effect from September 24, 2014.

**Mr. Dinesh Kanabar has been appointed as an Additional Director with effect from January 06, 2015.

® Mr. Narendra Ostawal has been appointed as an Additional Director with effect from January 06, 2015.

®® Mr. Anil Singhvi resigned from the Board with effect from December 22, 2014.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

CODE OF CONDUCT

The Company has adopted the Code of Ethics and Business Conduct for Directors and Senior Management (Code). The Code has been circulated to all the Members of the Board and Senior Management and the same has been put on the Company's website i.e. www.capfirst.com. The Board of Directors and Senior Management have affirmed their compliance with the Code and a declaration signed by the Chairman & Managing Director of the Company forms part of the Annual Report.

SUBSIDIARY COMPANY

The Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee and Board Meetings.

Copies of the Minutes of the Audit Committee / Board Meetings of Subsidiary Companies are individually given to all the Directors and are tabled at the subsequent Board Meetings. The Company does not have any Material Subsidiary.

The Company had formulated a policy for determining 'Material' Subsidiary and the same has been put on the Company's website i.e. www.capfirst.com web link thereto is <http://www.capfirst.com/pdfs/Policy-on-Determination-of%20Material-Subsidiary.pdf>.

WHISTLE BLOWER POLICY AND VIGIL MECHANISM

As per the provisions of Section 177 of Indian Companies Act, 2013 every listed company or such class or classes of companies, as may be prescribed shall establish a vigil mechanism for the directors and employees to report their genuine concerns in such manner as may be prescribed. We affirm that no employee/ personnel of the Company was denied access to the Audit Committee.

Accordingly, this Company has in place the Whistle Blower Policy pursuant to the requirements prescribed by the Companies Act, 2013 and revised Clause 49 of Listing Agreement and the same has been put on the Company's website and the weblink there to is <http://www.capfirst.com/pdfs/whistle-blower-policy-and-vigil-mechanism.pdf>

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the Company has familiarized its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc.

The details of the said familiarization programme is provided on the website of the Company and the weblink is as <http://www.capfirst.com/pdfs/familiarization-programme-for-independent-director.pdf>.

MEETINGS OF INDEPENDENT DIRECTORS

The Company's Independent Directors met once during last year without the presence of Non Independent Directors or management personnel. Such meeting was conducted to enable Independent Directors to discuss matters pertaining to the Company's affairs.

GENERAL BODY MEETINGS:

Details of General Meetings

During last three years, three Annual General Meetings i.e. Seventh, Eighth and Ninth Annual General Meetings of the Company and one Extraordinary General Meeting of the equity shareholders were held. The details of the Meetings and the Special Resolutions passed thereat are as follows:

General Meeting	Date, Time and Venue	Special Resolutions passed
Seventh Annual General Meeting	September 25, 2012, at 3:00 p.m. at the Mini Theatre, 3rd floor, P. L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai – 400 025.	a) Increase in borrowing limits b) Change in Name of the Company c) Alteration of Articles of Association
Eighth Annual General Meeting	August 22, 2013, at 3:00 p.m. at the Mini Theatre, 3rd floor, P. L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai – 400 025.	a) Approved the revision in remuneration payable to Mr. V. Vaidyanathan, Chairman and Managing Director of the Company b) Approved raising of funds / resources in Indian Rupees or equivalent thereof in any foreign currency upto ₹ 300 crore through various domestic / international options, including QIP/ ECBs with conversion into shares/ FCCBs/ ADRs/ GDRs/ FPO/ OCPS/CCPS etc., pursuant to section 81(1A) of the Companies Act, 1956

REPORT ON CORPORATE GOVERNANCE (CONTD.)

General Meeting	Date, Time and Venue	Special Resolutions passed
		c) Approved Modification of 'Exercise Period' in all Employee Stock Option Schemes viz. CFL ESOS-2007, CFL ESOS-2008, CFL ESOS-2009, CFL ESOS-2011 and CFL ESOS-2012 (Collectively "ESOS Schemes") applicable to employees of the company & its subsidiaries to 5 years from the Date of Vesting or ten years from the Grant Date, whichever is later.
Extra Ordinary General Meeting	March 28, 2014 at 09.30 a.m. at the Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018.	Preferential Allotment of 1,16,07,145 equity shares to M/s. Cloverdell Investment Ltd and M/s. HDFC Standard Life Insurance Company Limited.
Ninth Annual General Meeting	June 18, 2014, at 3:00 p.m. at the Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018	a) Alteration in articles of association b) Approval of CMD Stock Options Scheme 2014. c) Approval to grant, offer and issue options equal to or exceeding 1% of the issued capital to Mr. V. Vaidyanathan under CMD Stock Options Scheme 2014.

POSTAL BALLOT:

During the financial year 2014-15, the Company has passed the followings resolutions by Postal Ballot:

Sr. No.	Date of Declaration of Postal Ballot Results	Special Resolutions	Votes in favour of the resolution		Votes against the resolution	
			No. of votes	% to total votes	No. of votes	% to total votes
1.	September 10, 2014	Borrowing Powers of the Board of Directors under Section 180 (1) (c) of the Companies Act, 2013	71,424,773	99.992	1,082	0.002
		# Invalid votes cast were 4783 shares				
		Creation of Charges on the movable and Immoveable properties of the Company under Section 180(1) (a) of the Companies Act, 2013 both present and future, in respect of borrowings	71,424,332	99.991	1,541	0.002
		# Invalid votes cast were 4783 shares				
1.	September 10, 2014	Issuance of Non-Convertible Debentures (NCD's) pursuant to Sections 23, 42, 71 and 180(1) (c) of the Companies Act, 2013 on private placement basis.	71,424,630	99.992	1,124	0.002
		# Invalid votes cast were 4753 shares				
2.	November 03, 2014	Raising of Funds through issue of Securities in Indian Rupees or equivalent thereof in any foreign currency upto ₹ 300 crore through various domestic / international options, including QIP/ FCCBs/ ADRs/ GDRs, etc., pursuant to section 62 of the Companies Act, 2013	69,489,509	96.02	949,381	1.31
		# Invalid votes cast were 19,28,031 shares				

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Procedure for Postal Ballot-

- The Company had appointed Mr. P. N. Parikh of M/s. Parikh & Associates, Practicing Company Secretaries, as Scrutinizer to conduct the Postal Ballot voting processes in a fair and transparent manner.
- The Company had followed the procedure relating to Postal Ballot and E – voting pursuant to applicable provisions of Companies Act, 2013 read with Rules and provisions of Listing Agreement.
- None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through Postal Ballot.

DISCLOSURES:

i) Related Party Transactions

The Company has no material significant related party transactions that may have a potential conflict with the interest of the Company. The details of transaction between the Company and the related parties are given under Notes to the Financial Statement for the year ended March 31, 2015. The Board has approved a policy for related party transactions which has been uploaded on the Company's website and web link thereto is <http://www.capfirst.com/pdfs/Policy-on-Related-Party-Transactions.pdf>.

ii) No Penalty or strictures

There has been no instance of non-compliance by the Company on any matter relating to the capital markets and accordingly no penalties have been levied or strictures have been passed by the Securities & Exchange Board of India or Stock Exchanges or any other statutory authority during last 3 years.

iii) The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement.

iv) The extent of compliance in respect of non-mandatory requirements is as follows:

1. The Board:

Requirement of reimbursement of expenses for Non-Executive Chairman is not applicable in the case of the Company.

2. Shareholders' Rights

The quarterly and half yearly financial results are published in the news papers and are also posted on the Company's website, the same are not being sent to each household of shareholders.

3. Audit Qualifications

There are no audit qualifications in the financial statements for the financial year 2014-15.

4. Seperate post of Chairman and CEO

The Company has a Chairman and Managing Director and as permitted by the Companies Act, Articles of Association of the Company, adequately captures for keeping the same as combined position. Further, the Company has a majority of Independent Directors, with excellent track record and background and all Board Committees are chaired by the Independent Directors. The Company maintains high degree of Corporate Governance.

5. Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

MEANS OF COMMUNICATION:

Quarterly/annual audited financial results are regularly submitted to all the Stock Exchanges where the shares of the Company are listed in accordance with the Listing Agreement and published in a prominent English daily newspaper and in a regional language newspaper. The quarterly/annual results are also displayed on the Company's website www.capfirst.com soon after their declaration.

GENERAL SHAREHOLDER INFORMATION:

1. Annual General Meeting:

- Date and Time : Monday, July 20, 2015; 3:00 p.m.
- Venue : Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018.

2. Tentative Financial :

The financial year of the Company is from April 01 to March 31 of the following year.

- First Quarter Results : First week of August, 2015
- Second Quarter Results : First week of November, 2015
- Third Quarter Results : Second week of February, 2016
- Fourth Quarter Results : Third Mid week of May, 2016

3. Date of Book Closure :

July 14, 2015

4. Dividend Payment Date :

On or after July 21, 2015

REPORT ON CORPORATE GOVERNANCE (CONTD.)

- | | | |
|--------------------------------------|---|--|
| <p>5. Listing on Stock Exchanges</p> | <p>BSE Limited (BSE)
: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

National Stock Exchange of India Ltd. (NSE)
Exchange Plaza, 5th Floor,
Plot No. C/1, G-Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051</p> | <p>7. Stock Code</p> <p>BSE : 532938

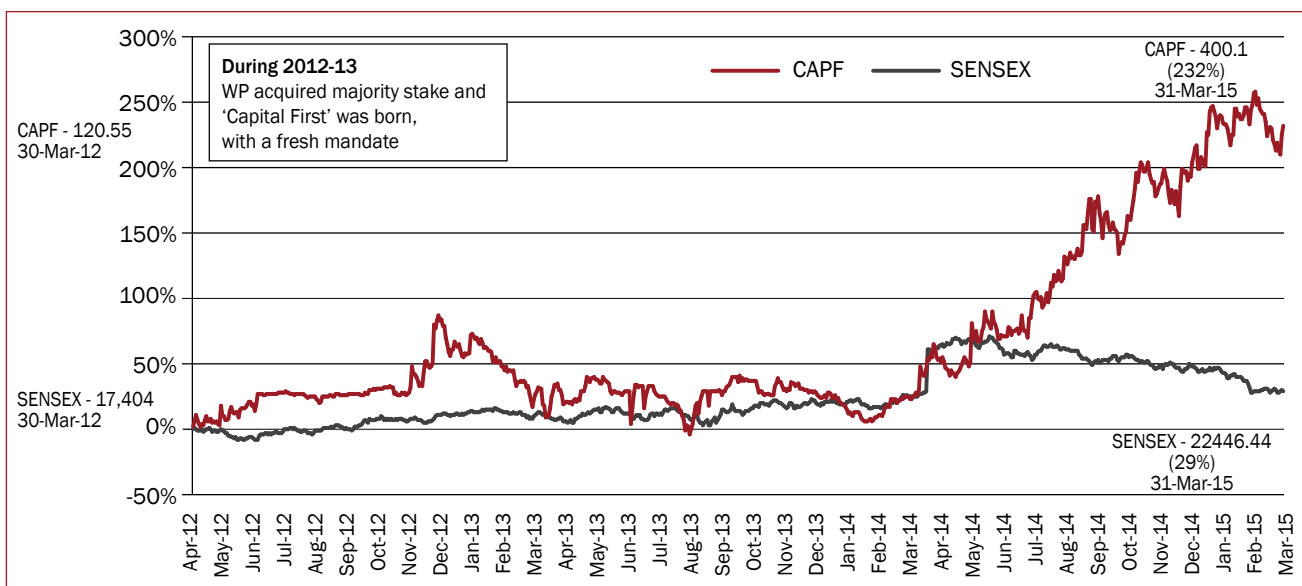
NSE : CAPF

International Securities Identification Number (ISIN) : INE688I01017</p> |
| <p>6. Listing Fees</p> | <p>: Listing fees of both the Stock Exchanges for the year 2014-15 have been paid.</p> | |

8. Market Price Data during the financial year ended March 31, 2015

Month	BSE		NSE	
	High	Low	High	Low
April, 2014	203.00	167.05	204.50	166.65
May, 2014	227.70	166.55	228.75	162.65
June, 2014	232.75	194.80	232.50	191.55
July, 2014	254.10	203.10	253.85	203.00
August, 2014	293.00	234.00	293.00	233.65
September, 2014	348.90	276.10	349.40	276.20
October, 2014	339.20	277.35	339.45	277.00
November, 2014	379.85	330.00	379.95	330.00
December, 2014	370.30	307.75	370.75	307.95
January, 2015	431.15	356.00	430.70	355.80
February, 2015	432.00	373.20	431.40	372.95
March, 2015	439.00	361.90	440.00	361.00

Performance of share price in comparison with BSE SENSEX:



REPORT ON CORPORATE GOVERNANCE (CONTD.)

9. Distribution of Shareholdings as at March 31, 2015:

Sr. No.	Shareholding Nominal Value of		Shareholders		Share Amount	
	₹	₹	Number	% to Total	In ₹	% to Total
	(1)		(2)	(3)	(4)	(5)
1	Upto -	5,000	117,497	98.22	3,01,44,920	3.31
2	5,001 -	10,000	1,004	0.84	80,11,420	0.89
3	10,001 -	20,000	528	0.44	77,23,740	0.85
4	20,001 -	30,000	173	0.14	44,11,580	0.48
5	30,001 -	40,000	76	0.06	26,99,160	0.30
6	40,001 -	50,000	85	0.07	40,28,360	0.44
7	50,001 -	1,00,000	131	0.11	94,65,290	1.04
8	1,00,001 and above		138	0.12	84,33,38,220	92.69
	Total		119,632	100.00	90,98,22,690	100.00

10. Categories of Shareholdings as on March 31, 2015:

Category	No. of Shares	%
Promoter and Promoter Group	5,94,85,602	65.38
Mutual Funds	54,16,383	5.95
Banks, Financial Institutions, Insurance Companies	40,53,398	4.46
Foreign Institutional Investors	67,92,978	7.47
Bodies Corporate	64,52,864	7.09
Individuals	72,85,670	8.01
Non Resident Individuals	10,04,177	1.10
Others*	4,91,197	0.54
Total	9,09,82,269	100.00

* Includes Foreign Portfolio Investors, Clearing members and Trusts

11. Registrar and Share Transfer Agents : Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West),
Mumbai - 400 078.
Tel. No.: +91 22 2594 6970; Fax No.: +91 22 2594 6969
E-mail : rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in
12. Dematerialisation of shares and liquidity : Equity shares of the Company are under compulsory Demat trading. As on March 31, 2015, a total of 9,09,82,144 equity shares aggregating to 99.99% of the total issued, subscribed and paid-up equity share capital of the Company, are in dematerialised form.
13. Outstanding GDRs/ADRs/Warrants or any Convertible instruments : Nil
14. Plant Locations : Not Applicable
15. Address for correspondence : Registrar and Transfer Agent
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West), Mumbai - 400 078.
Tel. No.: +91 22 2594 6970
Fax No.: +91 22 2594 6969
E-mail : rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Mr. Satish Gaikwad

Head – Legal, Compliance & Company Secretary

Capital First Limited

Indiabulls Finance Centre, 15th Floor, Tower-2,

Senapati Bapat Marg, Elphinstone (West), Mumbai – 400 013.

Tel. No.: 022 - 4042 3400; Fax No.: 022 - 4042 3401

Website: www.capfirst.com

CIN: L29120MH2005PLC156795

16. Designated E-mail ID : secretarial@capfirst.com
17. Share Transfer System : Applications for transfers, transmission and transposition are received by the Company at its Registered Office or at the office(s) of its Registrars & Share Transfer Agent. As the shares of the Company are in dematerialised form, the transfers are duly processed by NSDL/CDSL in electronic form through the respective depository participants. Shares which are in physical form are processed by the Registrars & Share Transfer Agent on a regular basis and the certificates are despatched directly to the investors.
18. Pursuant to the requirements of the Circular dated April 24, 2009, issued by the Securities & Exchange Board of India (“SEBI”) and in accordance with Clause 5A of the Listing Agreement, the details are given below:

Particulars	Aggregate number of shareholders	Outstanding shares in Unclaimed suspense account
Outstanding shares in the suspense account at the beginning of the year	368	2944
Number of shareholders who approached for transfer of shares during the year	3	24
Number of shareholders to whom shares were transferred from suspense account during the year.	2	16
Outstanding shares in the suspense account at the end of the year	366	2928

The Company has opened a separate demat suspense account and has credited the said unclaimed shares in compliance with requirements of the said SEBI Circular/Clause 5A of the Listing Agreement. All the corporate benefits in terms of securities, accruing on these unclaimed shares shall be credited to such account. Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Place : Mumbai

Date : May 13, 2015

CODE OF CONDUCT - DECLARATION

In accordance with Sub-Clause II (E) of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, I confirm that the Members of the Board of Directors and the Senior Management personnel of Capital First Limited have affirmed compliance with the Company's Code of Conduct for the financial year 2014-15.

For Capital First Limited

V. Vaidyanathan

Chairman & Managing Director

DIN 00082596

Place : Mumbai

Date : May 13, 2015

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
Capital First Limited

We have examined the compliance of conditions of corporate governance by Capital First Limited ("the Company"), for the year ended on March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

**For Makarand M. Joshi & Co.,
Practising Company Secretaries,**

Makarand Joshi

Partner

FCS No.: 5533

CP No: 3662

Place : Mumbai

Date : May 13, 2015

INDEPENDENT AUDITOR'S REPORT

To the Members of Capital First Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Capital First Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

2. As required by section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required bylaw have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 47 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

per Shrawan Jalan

Partner

Membership Number: 102102

Place : Mumbai

Date : May 13, 2015

ANNEXURE TO AUDITOR'S REPORT

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Capital First Limited ("the Company")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) 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, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase fixed assets, and for rendering of services. The activities of the Company did not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) Undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to duty of customs, duty of excise, wealth tax and employees' state insurance are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, sales-tax, service tax, wealth tax, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, no dues outstanding of income-tax, service tax, value added tax and cess on account of any dispute.
- (d) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

ANNEXURE TO AUDITOR'S REPORT (CONTD.)

- (xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

per Shrawan Jalan

Partner

Membership Number: 102102

Place : Mumbai

Date : May 13, 2015

BALANCE SHEET AS AT MARCH 31, 2015

₹ in Lakhs

Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	9,098.23	8,202.18
Reserves and Surplus	4	144,826.95	105,281.87
		153,925.18	113,484.05
Share Application Money Pending Allotment	3	-	83.56
Non-Current Liabilities			
Long-term borrowings	5	451,970.07	554,196.68
Other Long-term liabilities	6	4,486.19	3,786.45
Long-term provisions	7	9,685.17	9,618.10
		466,141.43	567,601.23
Current Liabilities			
Short-term borrowings	8	139,048.79	149,372.14
Trade payables	9	8,059.48	6,449.35
Other current liabilities	10	258,679.15	160,076.13
Short-term provisions	11	8,701.42	3,677.78
		414,488.84	319,575.40
TOTAL		1,034,555.45	1,000,744.24
ASSETS			
Non-Current Assets			
Fixed Assets			
- Tangible assets	12	1,384.58	2,240.07
- Intangible assets	12	524.50	516.32
		1,909.08	2,756.39
Non - current investments	13	8,039.80	8,039.80
Deferred tax assets (Net)	14	4,246.92	1,672.05
Long-term loans and advances	15	641,213.81	492,506.86
Other non-current assets	16	26,025.06	25,113.82
		681,434.67	530,088.92
Current Assets			
Current Investments	17	2,906.63	34,631.52
Trade receivables	18	1,007.81	895.32
Cash and Bank Balances	19	101,941.53	198,962.17
Short-term loans and advances	20	231,170.23	222,595.19
Other current assets	21	16,094.58	13,571.12
		353,120.78	470,655.32
TOTAL		1,034,555.45	1,000,744.24
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the Financial Statements			

As per our report of even date

For S.R. BATLIBOI & CO. LLPICAI Firm Registration No. 301003E
Chartered Accountants**per Shrawan Jalan**Partner
Membership No. 102102
Place : Mumbai
Date : May 13, 2015For and on behalf of the Board of Directors of
Capital First Limited**V. Vaidyanathan**
Chairman & Managing Director
DIN 00082596**N. C. Singhal**
Director
DIN 00004916**Pankaj Sanklecha**
Chief Financial Officer &
Head-Corporate CentrePlace : Mumbai
Date : May 13, 2015**Satish Gaikwad**
Head Legal, Compliance &
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

₹ in Lakhs

Particulars	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
Revenue from operations	22	141,063.40	105,240.83
Other Income	23	1,529.79	2,730.40
Total Revenue		142,593.19	107,971.23
Expenses			
Employee benefits expense	24	13,448.57	12,639.37
Finance costs	25	78,296.20	64,982.76
Depreciation and Amortization expense	26	995.65	569.21
Other expenses	27	33,720.86	22,246.53
Total Expenses		126,461.28	100,437.87
Profit before exceptional items and tax		16,131.91	7,533.36
Exceptional items	28	-	(3,444.75)
Profit before tax		16,131.91	4,088.61
Tax expense:			
- Current tax		7,892.80	3,014.05
- Deferred tax credit		(2,540.29)	(901.11)
- Tax for earlier years (Refer Note No. 45)		(422.62)	(1,722.69)
		4,929.89	390.25
Profit for the year		11,202.02	3,698.36
Earning per equity share:			
- Basic (₹)	29	13.48	5.20
- Diluted (₹)		12.85	5.19
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the Financial Statements			

As per our report of even date

For S.R. BATLIBOI & CO. LLP

ICAI Firm Registration No. 301003E
Chartered Accountants

per Shrawan Jalan

Partner
Membership No. 102102
Place : Mumbai
Date : May 13, 2015

For and on behalf of the Board of Directors of
Capital First Limited

V. Vaidyanathan
Chairman & Managing Director
DIN 00082596

N. C. Singhal
Director
DIN 00004916

Pankaj Sanklecha
Chief Financial Officer &
Head-Corporate Centre

Place : Mumbai
Date : May 13, 2015

Satish Gaikwad
Head Legal, Compliance &
Company Secretary

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2015

₹ in Lakhs

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	16,131.91	4,088.61
Adjustments for :		
Depreciation/ amortization	995.65	569.21
Excess provision written back	(3.97)	-
Provision for doubtful loans and advances	3,208.46	2,079.76
Provision for diminution in value of investments	153.50	3,444.75
Provision for standard assets	819.50	235.80
Bad loans and trade receivables written off	6,257.87	2,934.31
Provision for employee benefits	101.41	(82.05)
Profit on sale of investments (net)	(1,287.74)	(578.93)
Dividend income	-	(2,050.42)
Loss on sale of fixed assets	171.78	111.54
Interest on Investments	(2,967.39)	(4,721.85)
	7,449.07	1,942.12
Operating Profit Before Working Capital Changes	23,580.98	6,030.73
Adjustment for changes in working capital:		
(Increase)/Decrease in Trade Receivables	(112.48)	504.10
Increase in Loans and Advances	(162,151.78)	(123,526.55)
Increase in Other Assets	(3,434.70)	(6,257.81)
Increase in Trade payables and other liabilities	7,365.72	11,048.05
Cash used in operations	(134,752.26)	(112,201.48)
Direct taxes paid (net of refund)	(5,765.48)	(4,597.84)
Net Cash used in from Operating Activities	(140,517.74)	(116,799.32)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including intangible assets and Capital Work-in-progress	(502.78)	(485.12)
Sale proceeds from fixed assets	80.94	13.48
Purchase of investments	(660,293.08)	(575,425.57)
Sale proceeds from investments	693,152.22	541,372.97
Dividend Income	-	2,050.42
Interest received on Investments	2,967.39	4,721.85
Net Cash generated/(used in) from Investing Activities	35,404.69	(27,751.97)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Equity Share Capital	828.83	1,160.71
Proceeds from Securities Premium on issue of Equity Share Capital	30,140.25	16,691.07
Proceeds from Share Application Money Pending Allotment	-	83.56
Payment of securities issue expenses	(643.18)	(634.72)
Payment of dividend	(1,654.12)	(1,278.44)
Payment of dividend tax	-	(217.27)
Refund of share application money	-	(0.92)
Proceeds from long-term borrowings	157,500.00	272,367.20
Repayment of long-term borrowings	(167,756.02)	(98,865.17)
Proceeds from short-term borrowings	1,417,862.23	65,699.98
Repayment of short-term borrowings	(1,428,185.58)	(25,704.37)
Net Cash generated from Financing Activities	8,092.41	229,301.63
Net (decreased)/increase in Cash and Cash Equivalents during the year	(97,020.64)	84,750.34
Cash and Cash equivalents at beginning of the year	196,962.17	112,211.83
Cash and Cash equivalents at the end of the year	99,941.53	196,962.17

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

₹ in Lakhs

	As at March 31, 2015	As at March 31, 2014
Cash and Cash equivalents comprises of :		
Cash in Hand	926.30	1,393.99
Cheques on hand	19.59	-
Balance with Banks:		
- in unpaid dividend accounts (Refer Note 3 below)	17.34	13.72
- in unpaid share application money (Refer Note 3 below)	-	19.32
- in current accounts	69,449.44	108,719.79
- in deposit accounts having original maturity less than three months	29,528.86	86,815.35
Total	99,941.53	196,962.17

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method " as set out in Accounting Standard (AS) - 3 'Cash Flow Statements' notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 .
- Cash and cash equivalents in the balance sheet comprises of Cash in hand and Cash at bank.
- The balances are not available for use by the Company as they represent corresponding unpaid dividend liability and unpaid share application money.

As per our report of even date

For S.R. BATLIBOI & CO. LLP

ICAI Firm Registration No. 301003E
Chartered Accountants

per Shrawan Jalan

Partner
Membership No. 102102

Place : Mumbai
Date : May 13, 2015

For and on behalf of the Board of Directors of
Capital First Limited

V. Vaidyanathan

Chairman & Managing Director
DIN 00082596

Pankaj Sanklecha

Chief Financial Officer &
Head-Corporate Centre

Place : Mumbai
Date : May 13, 2015

N. C. Singhal

Director
DIN 00004916

Satish Gaikwad

Head Legal, Compliance &
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

1. CORPORATE INFORMATION

Capital First Limited (the 'Company' or 'CFL') is a public Company domiciled in India and incorporated on October 18, 2005 under the provisions of the Companies Act, 1956. The Company has received a Certificate of Registration from the Reserve Bank of India ('RBI') on April 10, 2006 to commence/carry on the business of Non-Banking Financial Institution ('NBFC') without accepting public deposits.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared to comply in all material respects with the Accounting Standards ('AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India (IGAAP) and as per the guidelines issued by Reserve Bank of India ('RBI') as applicable to a Non-Banking Financial (Non-deposit accepting or holding) Companies ('NBFC Regulation'). The financial statements have been prepared on an accrual basis and under the historical cost convention. The notified Accounting Standards (AS) are followed by the Company in so far as they are not inconsistent with the NBFC Regulation.

The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year, except changes as explained below.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Change in Accounting Policy

I) Accounting for debenture issue expenses

During the year, the Company has changed its accounting policy for recording debenture issue expenses from charging against Securities Premium Account to charging in profit and loss account over the tenure of debentures. Had the Company followed earlier accounting policy profit would have been higher by ₹ 59.17 lakhs.

II) Employee stock compensation cost

Till October 27, 2014, the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, dealt with the grant of share-based payments to employees. Among other matter, these guidelines prescribed accounting for grant of share-based payments to employees. Hence, the Company being a listed entity was required to comply with these Guidelines as well as the Guidance Note on Accounting for Employee Share-based Payments with regard to accounting for employee share-based payments. Particularly, in case of conflict between the two requirements, the SEBI guidelines were prevailing over the Institute of Chartered Accountants of India ('ICAI') Guidance Note.

From October 28, 2014, the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 have been replaced by the SEBI (Share Based Employee Benefits) Regulations, 2014. The new regulations don't contain any specific accounting treatment; rather, they require ICAI Guidance Note to be followed. Consequent to the application of the new regulations, the Company has changed its accounting for equity settled option expiring unexercised after vesting in line with accounting prescribed in the Guidance Note, i.e., expense is not reversed through the statement of profit and loss. The management has decided to apply the revised accounting policy prospectively from the date of notification of new regulation, i.e., October 28, 2014.

Since there are no equity settled options expiring unexercised after October 28, 2014, the change in accounting policy did not have any material impact on financial statements of the Company for the current year.

(b) Current/Non-Current classification of assets and liabilities

As required by Revised Schedule III, the Company has classified assets and liabilities into current and non-current based on the operating cycle. An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Since in case of non-banking financial Company normal operating cycle is not readily determinable, the operating cycle has been considered as 12 months.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(c) Use of estimates

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Principles (“IGAAP”) requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(d) Change in estimates

I) Provisioning on retail loans, other than Mortgage Loans and Consumer Loans

During the year ended March 31, 2015, the Company has changed its accounting estimates related to provisioning for non performing retail loans, other than Mortgage Loans and and Consumer Loans. Had the Company followed earlier estimates, profit for the year would have been higher by ₹ 436.50 lakhs.

II) Provision for standard assets

The Company has opted for early phased compliance with RBI notification vide notification No. RBI/2014-15/299 dated November 10, 2014, which requires increased provision on standard assets in a phased manner over a period of three years. As a result of which provision for standard assets for the year ended March 31, 2015 is higher by ₹ 431.64 lakhs.

III) Depreciation on fixed assets

(a) Pursuant to the Companies Act, 2013 (the “Act”) becoming effective from April 01, 2014, the Company has recomputed the depreciation based on the useful life of the assets as prescribed in Schedule II of the Act. This has resulted in additional charge of depreciation of ₹ 343.04 lakhs for the year ended March 31, 2015. Further, as per the transitional provision, the Company has adjusted ₹ 67.14 lakhs (net of deferred tax) in the opening balance of Surplus in Statement of Profit and Loss.

Till the year ended March 31, 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

(b) Useful lives/depreciation rates

Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act, 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets. This has resulted in additional charge of depreciation of ₹ 343.03 lakhs for the year ended March 31, 2015. Further, as per the transitional provision, the Company has adjusted ₹ 67.14 lakhs (net of deferred tax) in the opening balance of Surplus in Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(e) Tangible assets

Fixed assets, except land acquired before April 1, 2010, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight-line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Company amortises the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS-5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(g) Depreciation on Tangible asset/Amortization of Intangible asset

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The Company has used the following rates to provide depreciation on its fixed assets.

Particulars	Useful lives estimated by the Management (Same as specified in Schedule II of Companies Act, 2013)
Computers and Printers	3 years
Servers	6 years
Office Equipment	5 years
Furnitures & Fixtures	10 years
Electrical Installation	10 years
Air Conditioners	5 years
Leasehold Improvements	5 years
Intangible assets	5 years

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(h) Loans

Loans are stated at the amount advanced, as reduced by the amounts received up to the balance sheet date and loans assigned.

(i) Leases

Operating Lease

Where the Company is lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the tenure of the lease.”

Finance Lease

Where the Company is the lessor

Leases in which the Company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.”

(j) Impairment of tangible and intangible assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset’s net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted at the pre tax discount rate reflecting current market assessment of time value of money and risks specific to asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(k) Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

Current investments are carried in the financial statements at fair value determined on an individual investment basis. Unquoted investments in units of mutual funds are stated at net asset value.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.”

(l) Commercial Papers

Commercial paper is recognized at redemption value net of unamortized finance charges. The difference between redemption value and issue value is amortised on a time basis and is disclosed separately under finance charges.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(m) Foreign currency transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

(n) Revenue recognition

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

Interest income

Interest income from retail loans is accounted based on applying Internal Rate of Return ('IRR') and from other loans is accounted based on applying interest rate implicit in the contract. In case of non-performing assets interest income is recognized on receipt basis as per NBFC prudential norms.

Interest income on all other assets is recognized on time proportion basis.

Income on discounted instruments

Income on discounted instruments is recognized over the tenor of the instrument on straight-line basis.

Fee and subvention income

Fee income on loans and subvention income is recognized as income over the tenor of the loan agreements. The unamortized balance is being disclosed as part of current liabilities. For the agreements foreclosed/transferred through assignment, balance of processing fees and subvention income is recognized as income at the time of such foreclosure / transfer through assignment.

Commission and brokerage income

Commission and brokerage income earned for the services rendered are recognized as and when they are due.

Income from Assignment of loans and receivables

Income from assignment of loans and receivables is amortised over the tenure of loans in accordance with the RBI circular "Revisions to the Guidelines on Securitisation Transactions" dated August 21, 2012.

Income on retained interest in the assigned asset, if any, is accounted on accrual basis except in case of non-performing assets wherein interest income is recognized on receipt basis as per NBFC prudential norms.

Dividend income

Dividend income is recognized when the shareholders' right to receive payment is established by the balance sheet date. Dividend from the units of mutual funds is recognized on receipt basis in accordance with the NBFC Regulation.

Profit/Loss on sale of investments

Profit/loss earned on sale of investments is recognized on trade date basis. Profit or loss on sale of investments is determined on the basis of the weighted average cost method.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(o) Securities issue expenses

Equity issue expenses related to issuance of equity are debited against securities premium account in accordance with the provisions of Section 52 of the Companies Act, 2013.

Debenture issue expenses are charged to profit and loss account over the tenure of debentures.

(p) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated year mentioned under 'The Payment of Gratuity Act, 1972'. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date.

Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the statement of profit and loss in the period in which they arise.

(q) Leave encashment

Earned leave during the financial year and remaining unutilised will be encashed at the year end based on basic salary. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

(r) Borrowing costs

Borrowing costs consists of interest and other ancillary cost that an entity incurs in connection with borrowing of funds. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the tenor of borrowings.

(s) Loan origination cost

Loan origination costs such as credit verification, agreement stamping, direct selling agents commission and valuation charges are recognized as expense over the contractual tenor of the loan agreements. Full month's amortization is done in the month in which loans are disbursed. For the agreements foreclosed or transferred through assignment, the unamortised portion of the loan acquisition costs is recognized as charge to the Statement of Profit and Loss at the time of such foreclosure/transfer through assignment.

(t) Income Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.”

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement.” The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(u) Provisioning/Write-off on assets

Provisioning/Write-off on overdue assets

The provisioning/write-off on overdue assets is as per the management estimates, subject to the minimum provision required as per Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007.

The Company accounts for provision for doubtful assets after taking into account the time lag between an accounts becoming overdue, its recognition as such and realisation of available security. The Company classifies non performing assets which are overdue for six months or more.

Provision on standard assets

Provision on standard assets has been made @ 0.30% which is higher than as prescribed by Reserve Bank of India ('RBI') guidelines.

(v) Employee Stock Option Scheme ('ESOS')

Employees (including senior executives) of the Company also receives remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(w) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(w) Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(y) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(z) Cash and Cash Equivalents

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity period of three months and short-term highly liquid investments with an original maturity of three months or less.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

₹ in Lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
3. Share Capital		
Authorised:		
103,000,000 (Previous Year: 103,000,000) Equity shares of ₹ 10/- each	10,300.00	10,300.00
10,000,000 (Previous Year: 10,000,000) Compulsorily Convertible Preference shares ('CCPS') of ₹ 10/- each	1,000.00	1,000.00
	11,300.00	11,300.00
Issued, subscribed and fully paid up:		
90,982,269 (Previous Year: 82,631,469) Equity shares of ₹ 10/- each	9,098.23	8,263.15
Less: Nil shares (Previous Year: 609,713) held by Employee Welfare Trusts but not allotted to Employees (Refer Note No. 42)	-	(60.97)
	9,098.23	8,202.18

- a. Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the reporting period:

	As at March 31, 2015		As at March 31, 2014	
	Number	₹ in Lakhs	Number	₹ in Lakhs
At the beginning of the reporting year	82,631,469	8,263.15	71,024,324	7,102.43
Issued during the year				
- Under employees stock option scheme	658,500	65.85	-	-
Issued during the year (Refer Note No. 41)	7,692,300	769.23	11,607,145	1,160.72
At the close of the reporting year	90,982,269	9,098.23	82,631,469	8,263.15

- b. Terms/Rights attached to Equity Shares:

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any is proposed by the Board of Directors and is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

- c. Shares held by the holding company and the subsidiary of the ultimate holding company:

	As at March 31, 2015		As at March 31, 2014	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Equity shares of ₹ 10/- each				
Cloverdell Investment Ltd - Holding Company	58,237,645	5,823.76	58,237,645	5,823.76
Dayside Investment Ltd.	1,247,957	124.80	1,247,957	124.80

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

- d. Particulars of equity share holders holding more than 5% of the total number of equity share capital:

	As at March 31, 2015		As at March 31, 2014	
	Number	%	Number	%
Cloverdell Investment Ltd	58,237,645	64.01%	58,237,645	70.48%
JV & Associates LLP	4,773,795	5.25%	4,773,795	5.78%
Future Retail Limited (earlier known as Pantaloon Retail (India) Limited)	-	-	6,479,848	7.84%

	As at March 31, 2015	As at March 31, 2014
e. Securities convertible into equity shares	NIL	NIL
f. Shares reserved for issue under Employee Stock Option Scheme (Refer Note No. 32)	10,255,125	4,635,500
g. Aggregate number of shares issued for a consideration other than cash during the period of five years immediately preceding the reporting date	NIL	NIL
h. In the previous year, share application money pending allotment represents money received from employees pursuant to exercise of stock options i.e. 62,500 equity shares with face value ₹ 10 at a premium of ₹ 123.70. The shares were allotted subsequent to the balance sheet date on April 9, 2014.		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

₹ in Lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
4. Reserves and Surplus		
Capital Reserve		
Balance as per last Balance Sheet	5,925.00	5,925.00
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934		
Balance as per last Balance Sheet	6,373.50	5,633.83
Add : Transferred from Statement of Profit and Loss	2,240.40	739.67
	8,613.90	6,373.50
Securities Premium Account		
Balance as per last Balance Sheet	80,712.16	64,655.80
Add: Received during the year	30,217.56	16,691.07
Less: Securities issue expenses	-	-
- Debentures issue expenses (Refer Note No. 2.1(a) (I))	-	(535.18)
- Equity issue expenses	(643.17)	(99.53)
	110,286.55	80,712.16
Less: Nil shares (Previous Year: 609,713) held by Employee Welfare Trusts but not allotted to Employees (Refer Note No. 42)	-	(1,429.38)
	110,286.55	79,282.78
General Reserve		
Balance as per last Balance Sheet	1,537.95	1,260.57
Add: Transferred from Statement of Profit and Loss	1,120.20	277.38
	2,658.15	1,537.95
Surplus in the Statement of Profit and Loss		
Balance as per last Balance Sheet	12,162.64	11,135.45
Less: Accelerated Depreciation as per the Companies Act, 2013 (Refer Note No. 2.1(d)(III))	(67.14)	-
Less: Loss in recovery of advances granted to Employee Welfare Trusts (Refer Note No. 42)	(183.59)	-
Add: Profit for the year	11,202.02	3,698.36
Less: Appropriations:		
Transfer to statutory reserve under Section 45-IC of the RBI Act, 1934	(2,240.40)	(739.67)
Proposed dividend (Amount per share ₹ 2.20 (Previous year ₹ 2.00))	(2,002.35)	(1,654.12)
Dividend tax thereon (Refer Note No. 46)	(407.63)	-
Transfer to general reserve	(1,120.20)	(277.38)
	17,343.35	12,162.64
	144,826.95	105,281.87

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

₹ in Lakhs

Particulars	Non Current Portion		Current Maturities*	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
5. Long-Term Borrowings				
Secured				
Redeemable Non-Convertible Debentures	20,000.00	57,430.00	37,430.00	6,480.00
Term Loans				
- from Banks	365,472.12	435,267.35	187,894.59	119,374.00
Unsecured				
Redeemable Non-Convertible Perpetual Debentures	19,000.00	14,000.00	-	-
Redeemable Non-Convertible Debentures (Subordinated debt)	20,000.00	20,000.00	-	-
Term Loans				
- from Banks (Subordinate debt)	27,497.95	27,499.33	-	-
- from Banks (Other)	-	-	5,000.00	12,500.00
	451,970.07	554,196.68	230,324.59	138,354.00

* Amount disclosed under the head 'Other current liabilities' (Refer Note No. 10)

a. Security details for Secured Redeemable Non-Convertible Debentures

Debentures are secured by first charge on the fixed asset owned by the Company and first exclusive charge on the standard receivables of retail and corporate loan assets and other current assets of the Company.

b. Particulars of Secured Redeemable Non-Convertible Debentures

₹ in Lakhs

Particulars	Face Value (in ₹)	Quantity	Date of Redemption	As at March 31, 2015	As at March 31, 2014
10.00% CAPFIRSTNCD Series 2	1,000,000	1,000	March 20, 2018	10,000.00	10,000.00
10.00% CAPFIRSTNCD Series 1	1,000,000	1,000	February 15, 2018	10,000.00	10,000.00
11.25%,Tranche 2	1,000,000	1,250	December 1, 2015	12,500.00	12,500.00
11.25%,Tranche 1	1,000,000	1,250	October 1, 2015	12,500.00	12,500.00
10.25%,Tranche 2-A *	1,000,000	60	August 31, 2015	600.00	600.00
11.00%,Tranche 2-B3	1,000,000	4	August 31, 2015	40.00	40.00
10.25%,Tranche 1-A *	1,000,000	751	August 16, 2015	7,510.00	7,510.00
11.00%,Tranche 1-B3	1,000,000	428	August 16, 2015	4,280.00	4,280.00
11.00%,Tranche 2-B2	1,000,000	3	February 28, 2015	-	30.00
11.00%,Tranche 1-B2	1,000,000	321	February 16, 2015	-	3,210.00
11.00%,Tranche 2-B1	1,000,000	3	August 31, 2014	-	30.00
11.00%,Tranche 1-B1	1,000,000	321	August 16, 2014	-	3,210.00
				57,430.00	63,910.00

* These Debentures have tenure of 5 years subject to call/put option with the lender/investor to be exercised only after 3 years from the date of issue.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

5. Long-Term Borrowings (Contd.)

c. Security details for Secured Term loans

- 1 Term loans of ₹ 3,999.99 lakhs (Previous Year: ₹ 5,999.73 lakhs) is secured by way of first exclusive charge on receivables of priority sector lending of the Company.
- 2 Term loans of ₹ 505,622.58 lakhs (Previous year: ₹ 510,392.06 lakhs) is secured by way of first pari passu charge on receivables of retail, wholesale credit and current assets of the Company.
- 3 Term loans of ₹ 43,744.14 lakhs (Previous Year: ₹ 38,249.56 lakhs) is secured by way of first exclusive charge on receivables of the Company.

d. Particulars of Unsecured Redeemable Non Convertible Perpetual Debentures

₹ in Lakhs

Particulars	Issue Date	Coupon	Quantity	As at	As at
				March 31, 2015	March 31, 2014
CAPFIRSTPEPNCD Series 1	March 8, 2013	11.00%	1,000	10,000.00	10,000.00
CAPFIRSTPEPNCD Series 2	March 14, 2013	11.00%	250	2,500.00	2,500.00
CAPFIRSTPEPNCD Series 3	May 24, 2013	10.65%	150	1,500.00	1,500.00
CAPFIRSTPEPNCD Series 4	September 23, 2014	10.50%	500	5,000.00	-
				19,000.00	14,000.00

₹ in Lakhs

Particulars	As at	As at
	March 31, 2015	March 31, 2014
Funds raised through perpetual debentures	5,000.00	1,500.00
Amount outstanding as at the end of the year	19,000.00	14,000.00
Percentage of Perpetual Debt Instrument to Total Tier I Capital	11.31%	11.17%
Financial year in which interest on Perpetual Debt Instrument is not paid on account of Lock-in-clause	NA	NA

These Debentures have a 'Call Option' which may be exercised by the Company only after the instrument has run for a period of ten years from the date of allotment. Further, call option shall be exercised by the Company only with the prior approval of Reserve Bank of India (RBI) and as per RBI guidelines. It also have a coupon rate step-up option of 100 bps, which shall be exercised only once during the whole life of the instrument, in conjunction with the Call Option, after the lapse of 10 years from the date of allotment of issue. The coupon rate will be higher by 100 bps for subsequent years if Call Option is not exercised by the Company. The claim of the investors shall be pari passu among themselves and with other subordinated indebtedness of the Company, superior to the claims of investors in equity shares and subordinate to the claims of all other unsecured creditors and depositors of the Company, as regards repayment of principal and interest by the Issuer.

e. Particulars of Unsecured Redeemable Non Convertible Debentures (Subordinated debt)

₹ in Lakhs

Particulars	Face Value (in ₹)	Quantity	Date of Redemption	As at	As at
				March 31, 2015	March 31, 2014
10.30% CAPFIRSTUNNCD Series 1	1,000,000	1,000	February 28, 2023	10,000.00	10,000.00
10.30% CAPFIRSTUNNCD Series 2	1,000,000	500	February 28, 2023	5,000.00	5,000.00
9.50% CAPFIRSTUNNCD Series 3	1,000,000	500	May 17, 2028	5,000.00	5,000.00
				20,000.00	20,000.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

5. Long-Term Borrowings (Contd.)

f. Terms of repayment:

Term loans from Banks - Secured

As at March 31, 2015

₹ in Lakhs

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
48-60 months	10.25% to 10.30%	Quarterly Instalments	92,031.25	5,460.76
36-48 months	10.20% to 10.30%	Quarterly Instalments	126,878.00	48,733.26
24-36 months	10.20% to 10.30%	Quarterly Instalments	118,562.87	62,873.11
12-24 months	10.25% to 10.30%	Semi-Annual & Quarterly Instalments	28,000.00	37,494.13
Upto 12 months	10.25%	Quarterly Instalments	-	33,333.33
Grand Total			365,472.12	187,894.59

As at March 31, 2014

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
More than 60 Months	10.25%	Quarterly Instalments	30,000.00	-
48-60 months	10.20% to 10.50%	Quarterly Instalments	174,998.93	19,999.00
36-48 months	10.20% to 10.55%	Quarterly Instalments	161,437.87	56,041.67
24-36 months	10.25% to 10.50%	Semi-Annual & Quarterly Instalments	65,497.23	37,500.00
12-24 months	10.00% to 10.25%	Quarterly Instalments	3,333.32	5,833.33
Grand Total			435,267.35	119,374.00

Term Loan from bank - Unsecured

As at March 31, 2015

₹ in Lakhs

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
48-60 months	10.35%	Bullet	7,499.87	-
36-48 months	11.75%	Bullet	19,998.08	-
Upto 12 months	10.00%	Bullet	-	5,000.00
Grand Total			27,497.95	5,000.00

As at March 31, 2014

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
More than 60 months	10.50%	Bullet	7,499.33	-
48-60 months	11.75%	Bullet	20,000.00	-
Upto 12 months	10.00% to 10.25%	Bullet	-	12,500.00
Grand Total			27,499.33	12,500.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

₹ in Lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
6. Other Long-Term Liabilities		
Unamortised processing fees/subvention income (Refer Note No. 39(c))	4,486.19	3,786.45
	4,486.19	3,786.45
7. Long-Term Provisions		
For standard assets (Refer Note No. 2.1(u))	3,034.00	1,207.32
For doubtful loans and advances	2,459.94	2,265.33
For foreclosure/credit loss on assignment	3,925.35	5,961.60
Provision for employee benefits		
- Gratuity	265.88	183.85
	9,685.17	9,618.10
8. Short-Term Borrowings		
Secured		
Loans repayable on demand		
- from banks *	136,284.79	146,644.64
Unsecured		
Inter Corporate Deposits from related parties**	2,764.00	2,727.50
	139,048.79	149,372.14

*** Additional Information:**

- Cash credit (including Working Capital Demand Loan) of ₹ 96,597.32 lakhs (Previous Year: ₹ 106,743.33 lakhs) is secured by way of first *pari passu* charge on receivables of retail, wholesale credit and current assets of the Company.
- Cash Credit of ₹ 39,687.47 lakhs (Previous Year: ₹ 39,901.31 lakhs) is secured by way of first exclusive charge on receivables of the Company.

**** Details of Unsecured Inter Corporate Deposits from related parties**

During the year, the Company has raised ₹ 2,764.00 lakhs at the rate of 10.25% (Previous Year ₹ 2,727.50 lakhs) at the rate of 10.25% by way of Inter Corporate deposits, which is repayable on February 23, 2016 i.e. 1 year from the date of its disbursement. By mutual consent, same can also be repaid prior to its scheduled repayment date without the levy of any prepayment penalty or charges.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

₹ in Lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
9. Trade Payables		
To Micro, Small and Medium Enterprises*	-	-
Others	8,059.48	6,449.35
	8,059.48	6,449.35
* Disclosure under Micro, Small and Medium Enterprises Development Act, 2006		
There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2015. The information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 (Act) has been determined to the extent such parties have been identified by the Company.		
10. Other Current Liabilities		
Current maturities of Long-term borrowings (Refer Note No. 5)	230,324.59	138,354.00
Interest accrued and due on borrowings	441.11	210.10
Interest accrued but not due on borrowings	2,487.55	2,656.49
Income received in advance	115.60	22.56
Overdrawn book balance	3,763.49	7,428.67
Unamortised processing fees/subvention income (Refer Note No. 39(c))	9,043.06	5,188.74
Unclaimed dividends	17.34	13.72
Unclaimed share application money	-	19.32
Other liabilities (includes statutory liabilities and payables under assignment activity)	12,486.41	6,182.53
	258,679.15	160,076.13
11. Short-Term Provisions		
Proposed dividend	2,002.35	1,654.12
Dividend tax thereon (Refer Note No. 46)	407.63	-
Provision for employee benefits		
- Gratuity	39.54	20.43
- Leave encashment and availment	59.16	58.89
For standard assets (Refer Note No. 2.1(u))	741.34	546.78
For doubtful loans and advances	2,000.27	257.86
For doubtful debts	329.57	259.87
For foreclosure/credit loss on assignment	1,335.53	879.83
For taxation	1,786.03	-
	8,701.42	3,677.78

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

12. Fixed Assets

Particulars	GROSS BLOCK (AT COST)			DEPRECIATION/Amortization			NET BLOCK	
	As at April 1, 2014	Additions during the year	Deductions during the year	As at April 1, 2014	For the year (refer note 4)	Deductions	As at March 31, 2015	As at March 31, 2014
Tangible Assets								
Own assets								
Land *	6.25	-	-	6.25	-	-	-	6.25
Computers and Printers	1,810.24	107.17	60.45	1,856.97	495.49	48.50	1,301.23	955.99
Office Equipment	663.17	78.01	105.13	636.05	226.81	48.97	367.15	473.86
Furnitures & Fixtures	448.21	72.53	113.34	407.40	65.96	37.93	165.05	311.19
Electrical Installation	206.04	23.20	30.19	199.05	24.82	5.11	42.41	183.34
Air Conditioners	25.64	-	7.02	18.62	12.73	4.41	15.57	12.91
Leasehold Improvements	668.49	46.52	212.02	502.99	109.88	130.50	351.34	296.53
Vehicles	-	-	-	-	-	-	-	-
Sub-Total (A)	3,828.04	327.43	528.15	3,627.33	930.21	275.42	2,242.75	1,384.58
Intangible assets								
Domain Names and Trade Names	16.31	-	-	16.31	0.07	-	16.10	0.21
Data Processing Software	1,025.11	175.35	-	1,200.46	509.07	167.10	676.17	516.04
Sub-Total (B)	1,041.42	175.35	-	1,216.77	525.10	167.17	692.27	524.50
Total (A+B)	4,869.46	502.78	528.15	4,844.10	2,113.07	275.42	2,935.02	1,909.08

*Mortgaged as security against Secured Non-Convertible Debentures

Notes:

1. Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. As per the transitional provision, the Company has adjusted ₹ 401.74 in the opening balance of Surplus in Statement of Profit and Loss. Also, refer Note No. 2.1(d)(III).

Particulars	GROSS BLOCK (AT COST)			DEPRECIATION/Amortization			NET BLOCK	
	As at April 1, 2013	Additions during the year	Deductions during the year	As at April 1, 2013	For the year	Deductions	As at March 31, 2014	As at March 31, 2013
Tangible Assets								
Own assets								
Land *	6.25	-	-	6.25	-	-	-	6.25
Computers and Printers	1,665.16	268.59	123.51	1,810.24	756.48	117.72	854.25	908.69
Office Equipment	713.06	43.96	93.86	663.17	204.83	47.66	189.31	508.23
Furnitures & Fixtures	570.81	27.48	150.08	448.21	222.57	31.51	137.02	348.24
Electrical Installation	202.74	12.19	8.89	206.04	13.74	0.82	22.70	189.00
Air Conditioners	59.59	9.17	43.13	25.64	50.16	38.17	12.73	9.44
Leasehold Improvements	1,201.01	10.76	543.28	668.49	770.51	516.29	371.96	430.50
Vehicles	0.23	-	0.23	-	0.23	0.23	-	-
Sub-Total (A)	4,418.85	372.15	962.98	3,828.04	2,018.52	837.95	1,587.97	2,240.07
Intangible assets								
Domain Names and Trade Names	16.31	-	-	16.31	0.07	-	16.03	0.28
Data Processing Software	912.15	112.96	-	1,025.11	347.34	161.73	509.07	516.04
Sub-Total (B)	928.46	112.96	-	1,041.42	363.30	161.80	525.10	516.32
Total (A+B)	5,347.31	485.11	962.98	4,869.46	2,381.82	837.95	2,113.07	2,756.39

*Mortgaged as security against Secured Non-Convertible Debentures

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

₹ in Lakhs

Name of the Company	Quantity	As at March 31, 2015	Quantity	As at March 31, 2014
13. Non-Current Investments				
Trade Investments: (Valued at Cost unless otherwise stated)				
<i>Investments in Equity Instruments (Unquoted):</i>				
<i>In fully paid up equity shares of ₹ 10 each</i>				
Capital First Investment Advisory Limited	6,005,903	1,194.05	6,005,903	1,194.05
Capital First Securities Limited	55,355,600	7,852.23	55,355,600	7,852.23
Capital First Home Finance Private Limited	36,275,000	3,627.50	36,274,999	3,627.50
Anchor Investment and Trading Private Limited	16,987	7.75	16,987	7.75
		12,681.53		12,681.53
Investments in Preference shares (Unquoted):				
<i>Investments in Subsidiaries:</i>				
<i>In fully paid up preference shares of ₹ 100 each</i>				
13% Cumulative Non-convertible Preference Shares of Capital First Securities Limited	1,200,000	1,200.00	1,200,000	1,200.00
		1,200.00		1,200.00
Less: Provision for diminution in value of investments**		(5,841.73)		(5,841.73)
		8,039.80		8,039.80
Additional Information:				
Aggregate value of unquoted investments:		13,881.53		13,881.53
Aggregate provision for diminution in value of investments:		5,841.73		5,841.73

** Diminution is against the investments in Capital First Securities Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	₹ in Lakhs	
	As at March 31, 2015	As at March 31, 2014
14. Deferred Tax Assets (Net)		
Deferred tax asset:		
On account of depreciation on fixed assets	377.21	191.08
Retirement Benefit	105.70	69.44
Provision for diminution in value of investments -	53.12	-
Provision for doubtful debts	114.06	88.33
Provision for doubtful retail loans	1,959.49	857.63
Unamortised Processing fees	4,682.20	3,050.67
Provision for standard assets	890.67	596.22
Expenses allowed on payment basis	167.16	-
	8,349.61	4,853.37
Deferred tax liability:		
Unamortised loan origination cost	3,216.00	2,212.74
Unamortised borrowing costs	886.69	968.58
	4,102.69	3,181.32
Net Deferred tax assets	4,246.92	1,672.05
15. Long-Term Loans and Advances		
<i>Secured, considered good</i>		
Loans and advances relating to financing activity	554,688.50	444,046.20
<i>Secured, considered doubtful</i>		
Loans and advances relating to financing activity	11,218.22	3,879.66
<i>Unsecured, considered good</i>		
Capital advances	278.49	79.71
Security Deposits	631.57	541.76
Loans and advances relating to financing activity	65,349.49	33,028.86
Receivables under loans assigned	1,301.25	3,480.55
Advances recoverable in cash or in kind or for value to be received	85.47	126.57
Advance taxes (net of provision for tax)	7,145.47	7,064.15
	74,791.74	44,321.60
<i>Unsecured, considered doubtful</i>		
Loans and advances relating to financing activity	266.02	259.40
Receivables under loans assigned	249.33	-
	641,213.81	492,506.86
16. Other Non-Current Assets		
Unamortised loan origination cost (Refer Note No. 39(a))	7,281.29	3,753.61
Unamortised borrowing costs (Refer Note No. 39(b))	1,771.91	2,086.85
Balances with banks	-	-
- in deposit accounts exceeding twelve months maturity * (Refer Note No. 19)	16,971.86	19,273.36
	26,025.06	25,113.82

* includes under lien ₹ 15,200.00 lakhs (Previous year ₹ 16,021.01 lakhs) relating to assignment, ₹ 1,768.69 lakhs (Previous year ₹ 3,250.45 lakhs) relating to term loans and ₹ 3.17 lakhs (Previous Year : ₹ 1.90 lakhs) placed with VAT authorities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

₹ in Lakhs

Name of the Company	Quantity	As at March 31, 2015	Quantity	As at March 31, 2014
17. Current Investments				
Investments in Equity Instruments (Quoted):				
In fully paid up equity shares of ₹ 10/- each				
Tata Coffee Limited	2,994,960	2,866.93	-	-
Entertainment Network (India) Limited	40,000	193.20	-	-
		3,060.13		-
Less: Provision for diminution in value of equity investments		(153.50)		-
		2,906.63		-
Investments in Other Instruments (Unquoted):				
Investments in Commercial Papers	-	-	7,000	34,631.52
				34,631.52
		2,906.63		34,631.52
Additional Information:				
Aggregate value of quoted investments		2,906.63		-
Aggregate value of unquoted investments		-		34,631.52
Market value of quoted investments		2,906.63		-
Name of body corporate	Quantity	As at March 31, 2015	Quantity	As at March 31, 2014
Aditya Birla Finance Limited	-	-	1,000	4,962.79
Kotak Mahindra Investment Limited	-	-	1,000	4,924.25
Family Credit Limited	-	-	2,000	9,914.04
L&T FinCorp Limited	-	-	2,000	9,901.59
Tata Housing Development Company Limited	-	-	1,000	4,928.85
Total				34,631.52

₹ in Lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
18. Trade Receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured, considered doubtful	329.57	259.87
	329.57	259.87
Other debts		
- Unsecured, considered good	678.24	635.45
	1,007.81	895.32

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	₹ in Lakhs	
	As at March 31, 2015	As at March 31, 2014
19. Cash and Bank Balances		
Cash and Cash Equivalents		
Cash on hand *	926.30	1,393.99
Cheques on hand	19.59	-
Balances with Banks		
- in unclaimed dividend accounts	17.34	13.72
- in unclaimed share application money	-	19.32
- in current accounts	69,449.44	108,719.79
- in deposit accounts having original maturity less than three months	29,528.86	86,815.35
	99,941.53	196,962.17
Other Bank Balances		
Deposit with original maturity for more than three months but less than twelve months #	2,000.00	2,000.00
	101,941.53	198,962.17
Amount disclosed under non-current assets (Refer Note No. 16)	16,971.86	19,273.36
# includes under lien ₹ Nil (Previous Year: ₹ 2,000.00 lakhs) relating to assignment		
*Includes Cash in transit amounting to ₹ 318.08 lakhs (Previous year ₹ 120.98 lakhs).		
20. Short-Term Loans and Advances		
<i>Secured, considered good</i>		
Loans and advances relating to financing activity *	119,630.14	155,008.14
<i>Secured, considered doubtful</i>		
Loans and advances relating to financing activity *	1,387.97	311.51
<i>Unsecured, considered good</i>		
Loans and advances relating to financing activity *	106,005.98	51,467.77
Receivables under loans assigned	1,136.27	1,448.94
Advances to staff **	-	100.00
Advances recoverable in cash or in kind or for value to be received	1,771.46	13,513.18
Security deposits	130.96	168.14
<i>Unsecured, considered doubtful</i>		
Loans and advances relating to financing activity *	1,076.63	577.51
Receivables under loans assigned	30.82	-
	231,170.23	222,595.19
*Includes current maturities of long-term loans and advances and overdue loan and advances.		
** Additional Information:		
Debts due by directors or other officers of the Company	-	100.00
21. Other Current Assets		
Interest accrued and due	567.71	129.70
Interest accrued but not due	11,840.37	9,464.00
Unamortised loan origination cost (Refer Note No. 39(a))	2,011.35	2,756.35
Unamortised borrowing costs (Refer Note No. 39(b))	790.17	762.75
Unbilled Subvention Income	884.98	458.32
	16,094.58	13,571.12

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	₹ in Lakhs	
	For the year ended March 31, 2015	For the year ended March 31, 2014
22. Revenue from Operations		
Interest income	127,591.53	97,421.90
Other financial services		
Fee income	11,205.66	6,501.67
Income from assignment of loans	1,976.92	309.02
Commission and brokerage income	289.29	1,008.24
	141,063.40	105,240.83
23. Other Income		
Dividend Income from subsidiary	-	2,050.42
Profit on sale of current investments (net)	1,287.74	578.93
Interest on Income Tax Refund	238.08	89.76
Excess provision written back	3.97	-
Other non operating income	-	11.29
	1,529.79	2,730.40
24. Employee Benefits Expense		
Salaries and wages	12,633.43	11,946.88
Contribution to provident and other funds	455.11	366.83
Staff welfare expenses	360.03	325.66
	13,448.57	12,639.37
25. Finance costs		
Interest expense	73,482.95	62,804.44
Other borrowing costs	4,813.25	2,178.32
	78,296.20	64,982.76
26. Depreciation and Amortization expense (Refer Note No. 2.1(d)(III))		
Depreciation	828.83	407.40
Amortization of intangible assets	166.82	161.81
	995.65	569.21

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	₹ in Lakhs	
	For the year ended March 31, 2015	For the year ended March 31, 2014
27. Other Expenses		
Rent	1,462.81	1,455.43
Repairs others	808.77	732.21
Insurance	57.69	41.51
Rates and taxes	85.30	259.33
Auditors Remuneration (Refer note (i) below)		
- as auditor	67.00	62.00
- Tax audit fees	2.00	1.00
- for Certification	2.75	4.05
- for reimbursement of expenses	3.09	4.97
Commission and brokerage	356.56	368.40
Travelling expenses	960.96	744.97
Communication expenses	845.49	682.87
Printing and stationery	326.87	333.84
Recruitment expenses	133.96	105.56
Membership and subscription	70.92	43.17
Advertisement and publicity expenses	854.38	613.54
Electricity charges	275.29	248.40
Amortised loan origination cost	6,670.64	5,099.50
Provision and Write off:		
Provision for doubtful loans and advances	3,208.46	2,079.76
Provision for diminution in investments	153.50	-
Provision for standard assets (Refer Note No. 2.1(d)(II))	819.50	235.80
Bad loans and trade receivables written off (net of recovery)	6,257.87	2,934.31
	10,439.33	5,249.87
Loss on sale of fixed asset (including write off) (net)	171.78	111.54
Donations (Refer Note (ii) below)	84.00	11.00
Legal and professional charges	6,205.34	3,620.28
CMS Charges	735.88	579.16
Directors sitting fees	15.40	9.80
Collection expenses	2,575.62	1,303.71
Remuneration to non whole time directors		
- Commission	67.50	60.00
Miscellaneous expenses	441.53	500.42
	33,720.86	22,246.53

Note : (i) Amount of ₹ 55.93 lakhs (Previous Year: ₹ Nil) paid to auditors in connection with the QIP issue is debited in securities premium account as per Section 52 of the Companies Act, 2013.

(ii) During the year, the Company has contributed ₹ 75.00 lakhs (Previous Year: ₹ Nil) towards Corporate Social Responsibility ('CSR') expenditure being revenue in nature.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

₹ in Lakhs

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
28. Exceptional Items:		
Provision for diminution in value of investments (Refer Note (i) below)	-	(3,444.75)
	-	(3,444.75)

- (i) During the year ended March 31, 2014, the Board of Directors at its meeting held on November 13, 2013 had decided to discontinue its broking business carried on through its subsidiaries viz. Capital First Securities Limited (CFSL) & Capital First Commodities Limited (CFCL) (subsidiary of CFSL). CFSL has been engaged in broking of equities, equity derivatives & currency derivatives. The Company had provided diminution in the value of its investment in the subsidiary.

29. Earnings Per Equity Share ('EPS')

₹ in Lakhs

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Basic EPS		
Net Profit considered for basic EPS calculation	11,202.02	3,698.36
Weighted average number of equity shares	83,116,482	71,151,526
Nominal value per equity share (in ₹)	10.00	10.00
Earning per equity share - Basic (in ₹)	13.48	5.20
Diluted EPS		
Net Profit considered for basic EPS calculation	11,202.02	3,698.36
Weighted average number of equity shares	83,116,482	71,151,526
Add: Weighted number of equity shares under options	4,055,002	153,611
Weighted average number of diluted equity shares	87,171,484	71,305,137
Nominal value per equity share (in ₹)	10.00	10.00
Earning per equity share - Diluted (in ₹)	12.85	5.19

30. Contingent Liabilities

a. Contingent Liabilities not provided for in respect of:

₹ in Lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Corporate guarantee given by Company to banks	902.90	900.00
Income-tax matters under dispute*	303.53	142.99

* Future cash outflows are determinable only on receipt of judgements/decisions pending with various forums/authorities.

b. Capital commitments:

₹ in Lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Estimated amount of contracts remaining to be executed on capital account and not provided for	340.95	194.98
Commitments relating to loans sanctioned but undrawn	9,411.69	12,083.96

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

31. Post-employment Benefit Plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service. Gratuity expense has been included in 'Contribution to provident fund and other funds' under Personnel expenses.

The following table summaries the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the respective plans.

A. Change in Present Value of Obligation

Particulars	₹ in Lakhs	
	Gratuity (Unfunded)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Present Value of the Obligation as at the beginning of the year	204.28	186.78
Interest Cost	16.52	17.74
Current Service Cost	124.92	94.35
Benefit Paid	(23.98)	(26.76)
Actuarial (gain)/loss on obligations	(16.32)	(67.83)
Present Value of the Obligation as at the end of the year	305.42	204.28

B. Amount recognized in the Statement of Profit and Loss

Particulars	₹ in Lakhs	
	Gratuity (Unfunded)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest Cost	16.52	17.74
Current Service Cost	124.92	94.35
Actuarial (gain)/loss on obligations	(16.32)	(67.83)
Total expense/(income) recognized in the Statement of Profit and Loss	125.12	44.26

C. Reconciliation of Balance Sheet

Particulars	₹ in Lakhs	
	Gratuity (Unfunded)	
	Year ended March 31, 2015	Year ended March 31, 2014
Present Value of the Obligation as at the beginning of the year	204.28	186.78
Total expense recognized in the Statement of Profit and Loss	125.12	44.26
Benefits paid	(23.98)	(26.76)
Present Value of the Obligation as at the end of the year	305.42	204.28

The principal assumptions used in determining obligations for the Company's plans are shown below:

Assumptions	Gratuity (Unfunded)	
	March 31, 2015	March 31, 2014
Discount rate	8.09%	9.50%
Increase in compensation cost	8%	8%
Employee turnover	2%	2%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Since the Company has not funded its gratuity liability there are no returns on the planned assets and hence the details related to changes in fair value of assets have not been given.

There are no material experience adjustments during the year and preceding four years and hence the same have not been disclosed.

32. Employee Stock Option Scheme ('ESOS')

For the year ended March 31, 2015

Particulars of Options	ESOS 2007	ESOS 2008	ESOS 2009	ESOS 2011	ESOS 2012	ESOS 2014
Outstanding as at the beginning of the year	344,000	512,500	350,000	1,379,000	2,050,000	-
Granted during the year	-	285,000	-	330,000	-	6,500,000
Forfeited/Cancelled during the year	-	207,500	23,750	421,875	183,750	-
Lapsed during the year	-	-	-	-	-	-
Exercised/Allotted during the year	-	152,250	26,250	235,250	244,750	-
Outstanding as at the end of the year	344,000	437,750	300,000	1,051,875	1,621,500	6,500,000
Exercisable at the end of the year	344,000	70,250	300,000	748,438	512,750	-
Weighted average remaining contractual life (in years)	5.47	10.54	5.54	8.04	8.64	10.90
Weighted average fair value of options granted (₹)	146.37	96.24	147.95	80.88	88.93	117.24
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity

For the year ended March 31, 2014

Particulars of Options	ESOS 2007	ESOS 2008	ESOS 2009	ESOS 2011	ESOS 2012
Outstanding as at the beginning of the year	344,000	597,500	350,000	1,432,500	1,300,000
Granted during the year	-	200,000	-	22,500	955,000
Forfeited/ Cancelled during the year	-	285,000	-	76,000	205,000
Lapsed during the year	-	-	-	-	-
Exercised/ Allotted during the year	-	-	-	-	-
Outstanding as at the end of the year	344,000	512,500	350,000	1,379,000	2,050,000
Exercisable at the end of the year	344,000	269,750	327,500	591,375	298,750
Weighted average remaining contractual life (in years)	6.47	8.41	6.84	8.25	9.21
Weighted average fair value of options granted (₹)	146.37	88.36	141.14	74.00	87.45
Method of settlement	Equity	Equity	Equity	Equity	Equity

ESOS 2007

No further options were granted during the year under this scheme. Options under this scheme will vest after the expiry of 3 years from the date of grant. All the options are exercisable within 5 years from the date of vesting or 10 years from the date of grant, whichever is later.

ESOS 2008

The Nomination and Remuneration Committee at its Meeting held on May 8, 2014 has granted options in respect of 285,000 equity shares to the eligible employees at an exercise price of ₹ 174.15. The options will vest in graded proportion of 20% each year after the expiry of 1, 2, 3, 4 and 5 year respectively. All the options are exercisable within 5 years from the date of vesting or 10 years from the date of grant, whichever is later.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

ESOS 2009

No further options were granted during the year under this scheme. The options will vest in graded proportion of 25% each year after the expiry of 1, 2, 3 and 4 year respectively. All the options are exercisable within 5 years from the date of vesting or 10 years from the date of grant, whichever is later.

ESOS 2011

The Nomination and Remuneration Committee at its Meeting held on May 8, 2014 and December 5, 2014 has granted options in respect of 270,000 equity shares and 60,000 equity shares respectively to the eligible employees at an exercise price of ₹ 174.15 and ₹ 353.90 respectively. The options will vest in graded proportion of 20% each year after the expiry of 1, 2, 3, 4 and 5 year respectively. All the options are exercisable within 5 years from the date of vesting or 10 years from the date of grant, whichever is later.

ESOS 2012

No further options were granted during the year under this scheme. The options will vest in graded proportion of 25% each year after the expiry of 1, 2, 3 and 4 year respectively. All the options are exercisable within 5 years from the date of vesting or 10 years from the date of grant, whichever is later.

ESOS 2014

The Nomination and Remuneration Committee at its Meeting held on April 2, 2014 has granted options in respect of 6,500,000 equity shares to the Chairman and Managing Director at an exercise price of ₹ 207.00. The said options were approved by the shareholders in the Annual General Meeting held on June 18, 2014. The options will vest in graded proportion of 25% each year after the expiry of 1, 2, 3 and 4 year respectively. All the options are exercisable on completion of 5th anniversary from effective grant date but prior to the expiry of 10th anniversary from the effective grant date.

The fair value of the sock options granted during the period have been calculated using Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows:

Particulars	ESOS 2008/ ESOS 2011/ ESOS 2014
Exercise Price	ESOS 2008- 285,000 stock options with exercise price of ₹ 174.15/- ESOS 2011- 270,000 stock options with exercise price of ₹ 174.15/- ESOS 2011- 60,000 stock options with exercise price of ₹ 353.90/- ESOS 2014- 6,500,000 stock options with exercise price of ₹ 207.00/-
Historical Volatility	46.43% - 52.72%
Life of the options granted (Vesting and exercise period) in years	<u>Vesting schedule:</u> ESOS 2008 & ESOS 2011 - 20% each year from the end of 1, 2, 3, 4 and 5 years of the date of grant respectively. ESOS 2014 - 25% each year from the end of 1, 2, 3, and 4 years of the date of grant respectively <u>Exercise Period:</u> ESOS 2008 & ESOS 2011 - Within 5 years from the date of vesting or 10 years from the date of grant, whichever is later. ESOS 2014 - On completion of 5th anniversary from effective grant date but prior to the expiry of 10th anniversary from the effective grant date.
Dividend yield	0.57% - 1.15%
Average risk-free interest rate	8.02% - 8.93%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Proforma Accounting

Since the Company used the intrinsic value method the impact on the reported net profit and earnings per share by applying the fair value based method is as follows:

Particulars	₹ in Lakhs	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Net Profit after tax as reported	11,202.02	3,698.36
Less: Employee stock compensation cost under fair value method (Refer Note below)	4,001.70	1,787.74
Total	7,200.32	1,910.62
Basic earnings per share as reported	13.48	5.20
Proforma Basic earnings per share	8.66	2.69
Diluted earnings per share as reported	12.85	5.19
Proforma Diluted earnings per share	8.26	2.68

Note:

Employee stock compensation cost includes ₹ 191.33 lakhs (Previous Year: ₹ 551.00 lakhs) pertaining to incremental fair value pursuant to modification of exercise period done in previous year.

33. Segment Reporting

Since the Company has only one reportable business segment “loans given” as primary segment and it operates in a single geographical segment within India, no disclosure is required to be given as per Accounting Standard - 17 ‘Segmental Reporting’ as notified under Section 133 of the Companies Act, 2013 (‘the Act’) read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

34. Related Party Disclosures

Names of related parties where control exists irrespective of whether transactions have occurred or not:

Relationship	Name of the Party
Holding Company	Cloverdell Investment Ltd
Subsidiaries	Capital First Investment Advisory Limited Capital First Securities Limited Capital First Commodities Limited Capital First Home Finance Private Limited Anchor Investment and Trading Private Limited

Names of other related parties irrespective of whether transactions have occurred or not:

Relationship	Name of the Party
Fellow subsidiaries	Dayside Investment Ltd.
Key Management Personnel	Mr. V. Vaidyanathan - Chairman and Managing Director
Enterprises significantly influenced by key management personnel	JV & Associates LLP

Refer Annexure 1 and 1A for the transactions with related parties for the year ended March 31, 2015.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

35. Operating Leases

The Company's significant leasing arrangements are in respect of operating leases are for premises (residential and office) and vehicle which are renewable on mutual consent at agreed terms. Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 36 to 60 months. There are no sub leases.

The aggregate lease rentals payable are charged to the Statement of Profit and Loss.

Particulars	₹ in Lakhs	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Lease payments recognized in the Statement of Profit and Loss	1,462.81	1,455.43

Details of non-cancellable leases are as follows:

Particulars	₹ in Lakhs	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Minimum Lease Payments:		
Not later than one year	796.06	789.97
Later than one year but not later than five years	367.35	1,120.37
Later than five years	-	-

Finance Leases

In accordance with Accounting Standard – AS 19 – Leases, the reconciliation between the total gross investment in the lease and the present value of minimum lease payments (MLP) receivables as on March 31, 2015 and March 31, 2014 is as under:

Particulars	₹ in Lakhs	
	As at March 31, 2015	As at March 31, 2014
Gross investment in lease	-	5.50
Less: Unearned finance Income	-	0.25
MLP Receivables	-	5.25

Maturity Pattern of the Gross Investments in lease/Present Value of MLP Receivables:

Particulars	₹ in Lakhs	
	As at March 31, 2015	As at March 31, 2014
Gross investment for each of the following years:		
- Not later than one year	-	5.50
- Later than one year and not later than five years	-	-
	-	5.50
Present value of minimum lease payment for each of the following years:		
- Not later than one year	-	5.25
- Later than one year and not later than five years	-	-
	-	5.25
Un matured finance charges	-	-
Un guaranteed residual value accruing to the benefit of lessor	-	-
Accumulated provision for minimum lease payment receivable	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

36. Disclosure pursuant to Clause 32 of Listing Agreement

Included in Loans and Advances are:

Particulars	₹ in Lakhs	
	As at March 31, 2015	As at March 31, 2014
Due from subsidiaries		
Capital First Investment Advisory Limited (Maximum amount outstanding during the year ₹ 40.20 lakhs (Previous year ₹ 14.00 lakhs))	2.53	2.53
Capital First Home Finance Private Limited (Maximum amount outstanding during the year ₹ 2,080.38 lakhs (Previous year ₹ 1,502.12 lakhs))	13.35	310.38
Capital First Securities Limited (Maximum amount outstanding during the year ₹ 1.95 lakhs (Previous year ₹ 1,637.93 lakhs))	1.47	-
Capital First Commodities Limited (Maximum amount outstanding during the year ₹ 18.06 lakhs (Previous year ₹ 170.00 lakhs))	2.70	-

37. Foreign Currency

Earnings in foreign currency (Accrual basis)	₹ in Lakhs	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Commission and brokerage Income	-	0.92

Expenditures in foreign currency (Accrual basis)	₹ in Lakhs	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Travelling	2.27	0.32
Membership & Subscription	-	6.46
License Fees	64.98	39.80
Legal & Professional fees-Debited to Securities Premium Account	107.39	-
Training expenses	-	2.02

38. Amounts remitted in foreign currencies for dividend

Earnings in foreign currency (Payment basis)	₹ in Lakhs	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Number of shareholders	-	1
Number of shares held	-	940,000
Dividend remitted	-	16.92
Year related	NA	FY 2012-13

39. Deferment of loan origination cost, borrowing cost, processing fees and subvention income

Particulars	₹ in Lakhs	
	For the year ended March 31, 2015	For the year ended March 31, 2014
a. Loan origination cost		
Total loan origination cost deferred	9,453.32	6,771.19
Cost amortised and charged to Statement of Profit and Loss during the year	6,670.64	5,099.50
Unamortised cost shown into balance sheet :	-	-
- Current	2,011.35	2,756.35
- Non-current	7,281.29	3,753.61

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

b. Borrowing cost

Particulars	₹ in Lakhs	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Total borrowing cost deferred	861.61	1,767.45
Cost amortised and charged to Statement of Profit and Loss during the year	1,149.13	795.40
Unamortised borrowing cost shown into balance sheet:		
- Current	790.17	762.75
- Non-current	1,771.91	2,086.85

c. Processing fees and subvention income

Particulars	₹ in Lakhs	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Total unamortised income from processing fees/ subvention income deferred Income amortised and credited to Statement of Profit and Loss during the year	19,414.77	12,290.04
- Fee income	6,272.10	4,292.63
- Interest income	8,588.61	4,753.82
Unamortised processing fees/ subvention income shown into balance sheet:		
- Current	9,043.06	5,188.74
- Non-current	4,486.19	3,786.45

40. Additional disclosures as required by Circular No. DNBS.CC.PD. No. 265/03.10.01/2011-2012 dated March 31, 2012 issued by Reserve Bank of India:

Particulars	₹ in Lakhs	
	As at March 31, 2015	As at March 31, 2014
Total Gold loan Portfolio	17,899.54	57,460.81
Total Assets	1,034,555.45	1,000,744.24
Gold loan portfolio as a % age of total assets	1.73%	5.74%

41. The Company had allotted on March 26, 2015, 7,692,300 equity shares of the Company of ₹ 10/- each, at the premium of ₹ 380/- each to qualified institutional buyers. The said funds aggregating to ₹ 29,999.97 lakhs received pursuant to the aforesaid allotment have been utilised as on March 31, 2015.
42. The Company had extended loans to its Employee Welfare Trusts ('Trusts') for purchase of shares of the Company. As per the Guidance Note issued by the ICAI on Accounting for Employee Share-based payment, till March 31, 2014, the Company adjusted the loan of ₹ 1,490.35 granted to the Trusts against the Share Capital to the tune of ₹ 60.97 lakhs and Securities Premium to the tune of ₹ 1,429.38 lakhs in respect of 609,713 shares held by the Trusts. During the year, the Trusts had sold all the shares held by them. An amount of ₹ 1,306.76 lakhs had been received by the Company from the Trust. Post the sale, the Share Capital and Securities Premium has been reinstated by an aggregate amount of ₹ 1,490.35 lakhs and the shortfall of ₹ 183.59 lakhs, after adjusting the repayment received from the Trusts is adjusted against the Reserves & Surplus.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

43. Additional disclosures as required by Circular No. DNBS.CC.PD.No. 356 /03.10.01/2013-14 dated September 16, 2013 issued by Reserve Bank of India:

₹ in Lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Number of loan accounts	8,484	3,345
Outstanding amounts	10,857.67	4,272.86
Value Fetched on Auctions	9,975.67	3,920.26

Note: None of the sister concerns of the Company has participated in any of the auctions mentioned above.

44. During the year, the Board of Directors vide Circular Resolution dated February 04, 2015 has decided to exit gold loan business.
45. Tax for earlier year includes ₹ 489.96 lakhs (Previous Year: ₹ Nil) in respect of Minimum Alternate Tax credit entitlement which was recognized on completion of assessment for AY 2012-13.
- During the previous year, an amount of ₹ 1,732.72 lakhs related to tax credit of Assessment Year 2011-12 in respect of bad debts written off which was allowed as a deduction on completion of assessment.
46. During the previous year, the Company had received dividend of ₹ 2,050.42 lakhs from its wholly owned foreign subsidiary on which income tax of ₹ 348.47 lakhs had been paid by the Company. As per the provision of the Income Tax Act, 1961, the tax paid was eligible for set off against the tax on dividend paid by the Company aggregating to ₹ 281.12 lakhs. Hence there was no dividend tax liability in the previous year on the Company relating to dividend proposed.
47. The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial results at March 31, 2015. Refer note 30 for details on contingent liabilities.
48. At the year end, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
49. Additional information as per guidelines issued by the Reserve Bank of India in respect of Non-Banking Financial (Non-deposit accepting or holding) Systemically Important (NBFC-ND-SI) is given in Annexure 2.
50. Figures for previous year have been regrouped and/or reclassified wherever considered necessary, to conform to current year's classification.

As per our report of even date

For S.R. BATLIBOI & CO. LLP

ICAI Firm Registration No. 301003E
Chartered Accountants

per Shrawan Jalan

Partner
Membership No. 102102

Place : Mumbai

Date : May 13, 2015

For and on behalf of the Board of Directors of
Capital First Limited

V. Vaidyanathan
Chairman & Managing Director
DIN 00082596

N. C. Singhal
Director
DIN 00004916

Pankaj Sanklecha
Chief Financial Officer &
Head-Corporate Centre

Satish Gaikwad
Head Legal, Compliance &
Company Secretary

Place : Mumbai

Date : May 13, 2015

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Annexure 1
Transactions with Related parties

Relationship	Holding Company		Subsidiaries		Key Management Personnel
	April 01, 2014 to March 31, 2015	April 01, 2013 to March 31, 2014	April 01, 2014 to March 31, 2015	April 01, 2013 to March 31, 2014	
Particular					
Commission & brokerage expenses paid	-	-	-	165.79	-
Interest expenses paid	-	-	279.94	435.95	-
Reimbursement of expenses	-	-	155.03	212.59	-
Commission & brokerage income received	-	-	-	22.25	-
Interest income	-	-	329.69	171.79	-
Dividend income	-	-	-	2,050.42	-
Purchase of fixed assets	-	-	-	109.22	-
Transfer of security deposit	-	-	-	7.24	-
Loans/Advances given	-	-	2,755.02	5,054.66	-
Loans/Advances repayment received	-	-	3,178.90	4,839.23	-
Inter corporate deposits given	-	-	18,810.95	5,412.50	-
Inter corporate deposits received back	-	-	18,810.95	8,040.00	-
Inter corporate deposits taken	-	-	2,764.00	6,349.66	-
Inter corporate deposits repaid	-	-	2,727.50	9,032.41	-
Allotment of equity shares	-	12,853.29	-	-	-
Directors remuneration	-	-	-	-	612.05
Closing Balances : Receivable/(Payable)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	As at March 31, 2014
Inter corporate deposits payable	-	-	2,764.00	2,727.50	-
Advances recoverable/(payable)	-	-	20.05	312.89	-

₹ in Lakhs

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Annexure 1A

Transactions with Related parties for the year ended March 31, 2015

Particulars	₹ in Lakhs	
	April 01, 2014 to March 31, 2015	April 01, 2013 to March 31, 2014
Commission & brokerage expenses paid		
Capital First Securities Limited	-	161.84
Capital First Commodities Limited	-	3.95
Total	-	165.79
Interest expenses paid		
Capital First Investment Advisory Limited	-	255.57
Capital First Securities Limited	-	31.29
Capital First Commodities Limited	279.94	149.09
Total	279.94	435.95
Reimbursement of expenses		
Capital First Home Finance Private Limited	143.03	91.31
Capital First Securities Limited	3.00	112.28
Capital First Investment Advisory Limited	9.00	9.00
Total	155.03	212.59
Commission & brokerage income received		
Capital First Commodities Limited	-	14.45
Capital First Securities Limited	-	7.80
Total	-	22.25
Interest income		
Capital First Home Finance Private Limited	329.69	-
Capital First Securities Limited	-	171.79
Total	329.69	171.79
Dividend income		
Anchor Trading & Investment Private Limited	-	2,050.42
Total	-	2,050.42
Purchase of fixed assets		
Capital First Securities Limited	-	107.14
Capital First Investment Advisory Limited	-	0.43
Capital First Commodities Limited	-	1.65
Total	-	109.22
Transfer of security deposit		
Capital First Securities Limited	-	7.24
Total	-	7.24
Loans/Advances given		
Capital First Investment Advisory Limited	40.20	18.65
Capital First Home Finance Private Limited	2,666.85	4,536.01
Capital First Commodities Limited	31.26	-
Capital First Securities Limited	16.71	500.00
Total	2,755.02	5,054.66

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Annexure 1A (contd.)

Transactions with Related parties for the year ended March 31, 2015

Particulars	₹ in Lakhs	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Loans/Advances repayment received		
Capital First Investment Advisory Limited	40.20	25.73
Capital First Home Finance Private Limited	3,110.03	4,313.50
Capital First Commodities Limited	28.56	-
Capital First Securities Limited	0.11	500.00
Total	3,178.90	4,839.23
Inter corporate deposits given		
Capital First Securities Limited	-	5,412.50
Capital First Home Finance Private Limited	18,810.95	-
Total	18,810.95	5,412.50
Inter corporate deposits received back		
Capital First Securities Limited	-	8,040.00
Capital First Home Finance Private Limited	18,810.95	-
Total	18,810.95	8,040.00
Inter corporate deposits taken		
Capital First Investment Advisory Limited	-	213.00
Capital First Securities Limited	-	2,615.00
Capital First Commodities Limited	2,764.00	3,521.66
Total	2,764.00	6,349.66
Inter corporate deposits repaid		
Capital First Investment Advisory Limited	-	3,275.75
Capital First Securities Limited	-	2,615.00
Capital First Commodities Limited	2,727.50	3,141.66
Total	2,727.50	9,032.41
Allotment of equity shares		
Cloverdell Investment Ltd	-	12,853.29
Total	-	12,853.29
Managerial remuneration		
Mr. V. Vaidyanathan	612.05	412.05
Closing Balance	As at March 31, 2015	As at March 31, 2014
Inter corporate deposits payable		
Capital First Commodities Limited	2,764.00	2,727.50
Total	2,764.00	2,727.50
Receivable/(Payable)		
Capital First Investment Advisory Limited	2.53	2.53
Capital First Home Finance Private Limited	13.35	310.38
Capital First Commodities Limited	2.70	-
Capital First Securities Limited	1.47	(0.02)
Total	20.05	312.89

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Annexure 2 of the Note No. 49 to the Notes to the Financial Statements for the year ended March 31, 2015

A. Capital to Risk Assets Ratio (CRAR)		₹ in Lakhs	
Particulars	Current Year	Previous Year	
i) CRAR (%)	23.44%	22.16%	
ii) CRAR - Tier I capital (%)	18.75%	16.28%	
iii) CRAR - Tier II capital (%)	4.69%	5.88%	
iv) Amount of subordinated debt raised as Tier-II capital	-	5,000.00	
v) Amount raised by issue of Perpetual Debt Instruments	5,000.00	1,500.00	

B. Investments		₹ in Lakhs	
Particulars	Current Year	Previous Year	
1) Value of Investments			
i) Gross Value of Investments			
(a) In India	16,933.91	48,505.30	
(b) Outside India	7.75	7.75	
ii) Provision for Depreciation			
(a) In India	5,995.23	5,841.73	
(b) Outside India	-	-	
iii) Net Value of Investments			
(a) In India	10,938.68	42,663.57	
(b) Outside India	7.75	7.75	
2) Movement of provisions held towards depreciation on investments			
i) Opening balance	5,841.73	2,396.98	
ii) Add: Provisions made during the year	153.50	3,444.75	
iii) Less: Write-off/write-back of excess provisions during the year	-	-	
iv) Closing balance	5,995.23	5,841.73	

C. Exposures to real estate sector, both direct and indirect		₹ in Lakhs	
Items	Current Year	Previous Year	
a) Direct exposure			
(i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	403,516.30	317,453.82	
(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	90,222.98	105,784.64	
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -			
a. Residential	-	-	
b. Commercial Real Estate	22,258.34	26,769.59	
b) Indirect Exposure			
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	3,627.50	3,627.50	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

D. Maturity pattern of assets and liabilities

	₹ in Lakhs				
	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year
Liabilities					
Borrowings from banks	16,250.00	4,625.00	30,489.08	69,280.75	208,534.55
	(-)	(3,000.00)	(24,343.75)	(31,302.08)	(219,872.80)
Market borrowings	-	-	-	12,430.00	27,764.00
	(-)	(-)	(-)	(3,240.00)	(5,967.50)
Assets					
Advances *	23,903.54	20,692.63	20,493.43	56,910.13	106,100.98
	(23,894.58)	(12,580.92)	(22,451.09)	(43,483.05)	(125,005.53)
Investments	2,906.63	7.75	-	-	-
	(4,962.80)	(29,668.73)	-	(-)	(-)

	₹ in Lakhs			
	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities				
Borrowings from banks	292,829.33	100,140.74	-	722,149.45
	(292,079.33)	(157,213.34)	(13,474.02)	(741,285.32)
Market borrowings	20,000.00	-	39,000.00	99,194.00
	(37,430.00)	(20,000.00)	(34,000.00)	(100,637.50)
Assets				
Advances *	242,360.32	81,647.55	307,514.37	859,622.95
	(258,200.41)	(74,646.71)	(128,316.76)	(688,579.05)
Investments	-	-	8,032.05	10,946.43
	(-)	(-)	(8,039.79)	(42,671.32)

* Represents interest bearing loans and inter corporate deposits.

Figures in bracket relate to previous year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

E. Exposure to Capital Market

Items	₹ in Lakhs	
	Current Year	Previous Year
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	10,946.42	8,039.79
(ii) advances against shares/ bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	3,883.28
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	12,150.00	22,181.54
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/ convertible debentures/ units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares/ bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows/issues;	-	-
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-

F. The Company sells loans through direct assignments. The information on direct assignment activity of the Company as an Originator is as given below:

Particulars	₹ in Lakhs	
	Current Year	Previous Year
(i) No. of accounts	2,191	3,037
(ii) Aggregate value (net of provisions) of accounts sold	141,281.00	169,036.01
(iii) Aggregate consideration	141,281.00	169,036.01
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain/loss over net book value	-	-

G. Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss	₹ in Lakhs	
	Current Year	Previous Year
Provisions for diminution in Investments	153.50	-
Provision towards NPA	2,776.24	1,113.36
Provision made towards Income tax	4,929.89	390.25
Other Provision and Contingencies	432.22	966.40
Provision for Standard Assets	819.50	235.80

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

H. Concentration of Advances, Exposures and NPAs

I) Concentration of Advances

Total Advances to twenty largest borrowers	144,548.22
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	16.82%

II) Concentration of Exposures

Total Exposures to twenty largest borrowers	151,962.49
Percentage of Exposures to twenty largest borrowers to Total Exposures of the NBFC	17.49%

III) Concentration of NPAs

Total Exposures to top four NPA accounts	2,182.20
--	-----------------

IV) Sector-wise NPAs

Sector	Total (₹ in Lakhs)	% of NPAs to Total Advances in that sector
1. Agriculture & allied activities	-	-
2. MSME	5,781.32	1.26%
3. Corporate borrowers	-	-
4. Services	-	-
5. Unsecured personal loans	120.95	0.64%
6. Auto loans	-	-
7. Other personal loans	38.95	0.03%

V. Movement of NPAs

Particulars	₹ in Lakhs	
	Current Year	Previous Year
(i) Net NPAs to Net Advances (%)	0.17%	0.08%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	3,078.25	609.96
(b) Additions during the year	3,468.08	3,047.46
(c) Reductions during the year	(605.10)	(579.17)
(d) Closing balance	5,941.23	3,078.25
(iii) Movement of Net NPAs		
(a) Opening balance	555.06	43.97
(b) Additions during the year	(33.07)	597.83
(c) Reductions during the year	959.02	(86.74)
(d) Closing balance	1,481.01	555.06
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	2,523.19	565.99
(b) Provisions made during the year	3,501.15	2,449.63
(c) Write-off/write-back of excess provisions*	(1,564.12)	(492.43)
(d) Closing balance	4,460.22	2,523.19

* Includes standard asset provision regrouped and reclassified.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

I. Overseas Assets

Name of the Subsidiary	Anchor Trading and Investment Private Limited
Country	Mauritius
Total Assets	₹ 52.67 lakhs

J. Customer Complaints

(a) No. of complaints pending at the beginning of the year	27
(b) No. of complaints received during the year	1483
(c) No. of complaints redressed during the year	1484
(d) No. of complaints pending at the end of the year	26

K. Miscellaneous

Particulars

1. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

During the year, the Company has not exceeded SGL & GBL limits as prescribed under NBFC Regulation.

2. Registration obtained from other financial sector regulators

RBI registration No.	N-13.01827
Company Identification No. (CIN) :	L29120MH2005PLC156795
Insurance Regulatory and Development Authority	License No. HDF 5017698
	License No. FGG 5017698

3. Disclosure of Penalties imposed by RBI and other regulators

No penalties has been imposed by the RBI or any other regulator during the year.

4. Related Party Transactions

Refer Note No. 34 for transactions with related party transactions.

5. Ratings assigned by credit rating agencies and migration of ratings during the year

Particulars	Current Year	Previous Year
(a) Commercial Paper	CARE-A1+	CARE-A1+
(b) Debentures		
- Perpetual Debentures	CARE & Brickworks-AA	CARE & Brickworks-AA
- Subordinated Debt	CARE & Brickworks-AA+	CARE & Brickworks-AA+
- Other Debentures	CARE & Brickworks-AA+	CARE & Brickworks-AA+
(c) Other Bank Loan facilities	CARE-AA+	CARE-AA+

6. Remuneration of Directors (Non-Executive)

₹ in Lakhs

- Sitting fees (₹)	15.40
- Commission (₹)	67.50

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial Company (as required in terms of paragraph 13 of Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

₹ in Lakhs

Particulars		
LIABILITIES SIDE:		
1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue
a. Debentures (other than falling within the meaning of public deposits*)		
- Secured	57,430.00	-
- Unsecured	39,000.00	-
b. Deferred Credits	-	-
c. Term Loans	585,864.66	-
d. Inter-corporate loans and borrowings	2,764.00	-
e. Commercial Paper	-	-
f. Other Loans - Demand loans	136,284.79	-
* Please see Note 1 below		
ASSET SIDE:		
2. Break-up of Loans and Advances including bills receivables [other than those included in(4) below]:		Amount Outstanding
a. Secured		686,924.83
b. Unsecured		175,415.79
3. Break up of Leased Assets and stocks on hire and other assets counting towards AFC activities		Amount Outstanding
i. Lease Assets including lease rentals under sundry debtors:		
a. Finance Lease		-
b. Operating Lease		-
ii. Stocks on hire including hire charges under sundry debtors:		
a. Assets on hire		-
b. Repossessed Assets		-
iii. Other Loans counting towards AFC activities:		
a. Loans where assets have been repossessed		-
b. Loans other than (a) above		-
4. Break up of Investments:		
Current Investments		
1. Quoted		
i. Shares: a. Equity*		
b. Preference		2,906.63
ii. Debentures and Bonds		-
iii. Units of mutual funds		-
iv. Government Securities		-
v. Others		-
2. Unquoted		
i. Shares: a. Equity*		-
b. Preference		-
ii. Debentures and Bonds		-
iii. Units of mutual funds		-
iv. Government Securities		-
v. Others		-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

		₹ in Lakhs
Long-Term Investments		Amount Outstanding
1. Quoted		
i.	Shares - Equity	-
	- Preference	-
ii.	Debentures and Bonds	-
iii.	Units of mutual funds	-
iv.	Government Securities	-
v.	Others	-
2. Unquoted		
i.	Shares - Equity*	6,839.79
	- Preference	1,200.00
ii.	Debentures and Bonds	-
iii.	Units of mutual funds	-
iv.	Government Securities	-
v.	Others	-

* Investments net of provision for diminution in the value of investments.

5. Borrower group-wise classification of assets financed as in (2) and (3) above : Please see Note 2 below:				₹ in Lakhs
Category	Amount net of provision			Total
	Secured	Unsecured		
1. Related Parties**				
a. Subsidiaries	-	20.05		20.05
b. Companies in the same group	-	-		-
c. Other related parties	-	-		-
2. Other than related parties	686,924.83	175,395.74		862,320.57
Total	686,924.83	175,415.79		862,340.62

6. Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted): Please see Note 3 below				₹ in Lakhs
Category	Market Value/ Break up of fair value or NAV		Book Value (Net of Provisions)	
	1. Related Parties**			
a. Subsidiaries		11,112.77		8,039.80
b. Companies in the same group		-		-
c. Other related parties		-		-
2. Other than related parties		2,906.63		2,906.63
Total		14,019.40		10,946.43

** As per Accounting Standard (AS-18)

7. Other information		₹ in Lakhs
Particulars		Amount
i.	Gross Non-Performing Assets	-
a.	Related Parties	-
b.	Other than related parties	5,941.23
ii.	Net Non-Performing Assets	-
a.	Related Parties	-
b.	Other than related parties	1,481.01
iii.	Assets acquired in satisfaction of debt	2,906.63

Notes:

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

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of Capital First Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Capital First Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at March 31, 2015, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding company, its subsidiaries, incorporated in India, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

2. As required by section 143 (3) of the Act, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion proper books of account as required bylaw relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
 - (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards 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 of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies, incorporated in India, none of the directors of the Group's companies, incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 44 to the consolidated financial statements;
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

Other Matter

- (a) The accompanying consolidated financial statements include total assets of ₹ 52.67 lakhs as at March 31, 2015, and total revenues and net cash outflows of ₹ 418.79 lakhs and ₹ 2,057.01 lakhs for the year ended on that date, in respect of one subsidiary, which have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report of such other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements and other financial information certified by the Management

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

perShrawan Jalan

Partner

Membership Number: 102102

Place : Mumbai

Date : May 13, 2015

ANNEXURE TO AUDITOR'S REPORT

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

The Group, comprising Capital First Limited ('Holding Company') and its subsidiaries to whom the provisions of the Order apply (together referred to as "the covered entities of the Group")

- (i) (a) The Holding Company and the covered entities of the Group have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (i) (b) All fixed assets were physically verified by the management of the Holding Company and the covered entities of the Group in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the of the Holding Company and the covered entities of the Group and the nature of their assets. No material discrepancies were noticed on such verification.
- (ii) (a) The business of the Holding Company and the covered entities of the Group does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Holding Company and the covered entities of the Group.
- (iii) (a) According to the information and explanations given to us, the Holding Company and the covered entities of the Group have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the covered entities of the Group and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us there is an adequate internal control system commensurate with the size of the Holding Company and the covered entities of the Group and the nature of its businesses, for the purchase of inventory and fixed assets and for the sale of goods and services, to the extent applicable to the nature of the business of the covered entities of the Group. During the course of our audit, no major weakness was observed or continuing failure to correct any major weakness in the internal control system of the Holding Company and the covered entities of the Group in respect of these areas.
- (v) The Holding Company and the covered entities of the Group have not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Holding Company and the covered entities of the Group are not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Holding Company and the covered entities of the Group.
- (vii) (a) Undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases in respect of the Holding Company and certain covered entities. The provisions relating to customs duty, excise duty, wealth-tax and employees' state insurance are not applicable to the Holding Company and the covered entities of the Group.
- (vii) (a) According to the information and explanations given to us of the Holding Company and the certain covered entities in the Group, undisputed dues in respect of provident fund, income-tax, wealth-tax, service tax, sales-tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable are as follows:

Name of Statute/Dues	Entity Name	Amount in ₹	Period to which amount relates	Date of payment
Stamp Duty	Capital First Securities Limited	13,26,842	December 2011 to September 2013	-
Stamp Duty	Capital First Commodities Limited	830,716	August 2012 to September 2013	-

ANNEXURE TO AUDITOR'S REPORT (CONTD.)

- (vii) (c) According to the records of the Holding Company and the covered entities of the Group, the dues outstanding of income-tax, service tax, value added tax and cess on account of any dispute, are as follows:

Name of Statute	Entity Name	Nature of Dues	Amount in ₹	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Capital First Investment Advisory Limited	Income Tax	88,28,839	AY 2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961	Capital First Investment Advisory Limited	Income Tax Penalty charged against the Company	88,28,839	AY 2006-07	Commissioner of Income-tax (Appeals)
Income Tax Act, 1961	Capital First Investment Advisory Limited	Income Tax	53,78,630	AY 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Capital First Securities Limited	Income Tax Penalty	6,45,150	AY 2011-12	Commissioner of Income-tax (Appeals)

- (vii) (d) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time to the extent applicable to the Holding Company and the covered entities of the Group.
- (viii) In respect of Holding Company and other certain covered entities of the Group, there are no accumulated losses at the end of the financial year and they have not incurred cash losses in the current and immediately preceding financial year. However, in respect of a one other subsidiary company the accumulated losses at the end of the financial year are more than fifty percent of its net worth. The subsidiary company has incurred cash loss during the year and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the covered entities of the Group have not defaulted in their repayment of dues to a financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us, the Holding Company and the covered entities of the Group have not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained by the Holding Company and the covered entities of the Group.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Holding Company and the covered entities of the Group have been noticed or reported during the year.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

per Shrawan Jalan

Partner

Membership Number: 102102

Place : Mumbai

Date : May 13, 2015

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

₹ in Lakhs

Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	9,098.23	8,202.18
Reserves and Surplus	4	148,278.40	108,899.49
		157,376.63	117,101.67
Share application money pending allotment	3	-	83.56
Non - Current Liabilities			
Long-term borrowings	5	472,257.57	557,009.18
Other Long-term liabilities	6	4,635.63	3,836.26
Long-term provisions	7	9,680.35	9,525.75
		486,573.55	570,371.19
Current Liabilities			
Short-term borrowings	8	138,784.79	146,644.64
Trade payables	9	8,168.67	13,967.27
Other current liabilities	10	268,468.97	161,259.24
Short-term provisions	11	8,832.55	3,765.95
		424,254.98	325,637.10
TOTAL		1,068,205.16	1,013,193.52
ASSETS			
Non-Current Assets			
Fixed Assets			
- Tangible assets	12	1,384.59	2,240.07
- Intangible assets	12	524.50	516.32
- Goodwill on Consolidation		-	644.88
		1,909.09	3,401.27
Non-current investments	13	-	110.71
Deferred tax assets (Net)	14	4,212.80	1,708.03
Long-term loans and advances	15	663,861.99	500,845.45
Other non-current assets	16	26,268.96	25,176.38
		696,252.84	531,241.84
Current Assets			
Current Investments	17	9,488.66	34,631.52
Trade receivables	18	1,007.81	935.97
Cash and Bank Balances	19	105,705.80	201,307.51
Short-term loans and advances	20	239,394.15	231,435.61
Other current assets	21	16,355.90	13,641.07
		371,952.32	481,951.68
TOTAL		1,068,205.16	1,013,193.52
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the Financial Statements			

As per our report of even date

For S.R. BATLIBOI & CO. LLPICAI Firm Registration No. 301003E
Chartered Accountants**per Shrawan Jalan**Partner
Membership No. 102102
Place : Mumbai
Date : May 13, 2015For and on behalf of the Board of Directors of
Capital First Limited**V. Vaidyanathan**
Chairman & Managing Director
DIN 00082596**N. C. Singhal**
Director
DIN 00004916**Pankaj Sanklecha**
Chief Financial Officer &
Head - Corporate Centre
Place : Mumbai
Date : May 13, 2015**Satish Gaikwad**
Head Legal, Compliance &
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2015

₹ in Lakhs

Particulars	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
Revenue from Operations	22	142,439.55	105,300.75
Other Income	23	1,746.25	950.67
Total revenue		144,185.80	106,251.42
EXPENSES			
Employee benefits expense	24	13,579.27	12,678.94
Finance costs	25	78,779.83	64,668.12
Depreciation and Amortisation expense	26	995.65	588.75
Other expenses	27	34,559.21	21,840.51
Total Expenses		127,913.96	99,776.32
Profit before tax		16,271.84	6,475.10
Tax expense:			
- Current tax		8,007.36	3,161.29
- Minimum Alternative Tax (MAT) Credit entitlement		(8.79)	(17.55)
- Deferred tax credit		(2,470.19)	(842.83)
- Tax for earlier years (Refer Note 41)		(422.46)	(1,720.90)
		5,105.92	580.01
Profit for the year from Continuing Operations	(A)	11,165.92	5,895.09
Profit/(loss) before tax from discontinuing operations		359.91	(572.35)
Tax expense of discontinuing operations		97.69	59.92
Profit/(loss) from discontinuing operations (after tax) (Refer Note 40)	(B)	262.22	(632.27)
Profit/(Loss) for the year	(A)+(B)	11,428.14	5,262.82
Earning per equity share:			
- Basic (₹)	28	13.75	7.40
- Diluted (₹)		13.11	7.38
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the Financial Statements			

As per our report of even date

For S.R. BATLIBOI & CO. LLP

ICAI Firm Registration No. 301003E
Chartered Accountants

per Shrawan Jalan

Partner
Membership No. 102102
Place : Mumbai
Date : May 13, 2015

For and on behalf of the Board of Directors of
Capital First Limited

V. Vaidyanathan
Chairman & Managing Director
DIN 00082596

N. C. Singhal
Director
DIN 00004916

Pankaj Sanklecha
Chief Financial Officer &
Head - Corporate Centre
Place : Mumbai
Date : May 13, 2015

Satish Gaikwad
Head Legal, Compliance &
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2015

Particulars	₹ in Lakhs	
	For the year ended March 31, 2015	For the year ended March 31, 2014
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	16,271.84	6,475.10
Profit before tax from discontinuing operations	359.91	(572.35)
Adjustments for :		
Depreciation/amortisation on continuing operation	995.65	588.75
Depreciation/amortisation on discontinuing operation	-	54.38
Provision for doubtful loans and advances	3,186.97	1,064.82
Provision for diminution in value of investments	153.50	-
Provision for standard assets	879.30	268.09
Bad loans and trade receivables written off	6,298.63	3,552.96
Goodwill written off	644.88	-
Provision for employee benefits	100.89	(92.20)
Profit on sale of investments (net)	(1,504.20)	(829.67)
Loss on sale of fixed assets	171.78	111.54
Excess provision written back	(3.97)	(0.15)
Gain on translation of foreign subsidiary	(392.29)	176.63
Interest on Fixed Deposit & Investments	(2,967.38)	(4,721.85)
	7,563.76	173.30
Operating Profit Before Working Capital Changes	24,195.51	6,076.05
Adjustment for changes in working capital:		
Increase in Trade Receivables	(71.83)	2,962.90
Increase in Loans and Advances	(175,991.60)	(140,533.16)
Increase in Other Assets	(3,801.05)	(4,439.46)
Increase in Trade payables and other liabilities	6,568.35	18,010.69
Cash used in operations	(149,100.62)	(117,922.98)
Direct taxes paid (net of refund)	(5,863.11)	(5,572.19)
Net Cash used in Operating Activities	(154,963.73)	(123,495.17)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including intangible assets and Capital WIP	(502.78)	(492.71)
Sale proceeds from fixed assets	80.94	243.91
Sale proceeds from investments	700,497.96	549,173.71
Purchase of investments	(673,893.68)	(582,975.57)
Interest on Fixed Deposit & Investments	2,967.39	4,721.85
Net Cash generated/(used in) from Investing Activities	29,149.83	(29,328.81)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

Particulars	₹ in Lakhs	
	For the year ended March 31, 2015	For the year ended March 31, 2014
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Equity Share Capital	828.83	1,160.71
Proceeds from Share Application Money Pending Allotment	-	83.56
Proceeds from Securities Premium on issue of Equity Share Capital	30,140.25	16,691.07
Payment of securities issue expenses	(643.18)	(634.72)
Payment of dividend	(1,654.12)	(1,278.44)
Payment of dividend tax	-	(217.27)
Refund of share application money	-	(0.92)
Proceeds from long term borrowings	271,658.46	278,429.95
Repayment of long term borrowings	(262,251.80)	(98,865.35)
Proceeds from short term borrowings	1,420,362.23	65,319.98
Repayment of short term borrowings	(1,428,222.09)	(25,704.38)
Net Cash generated from Financing Activities	30,218.58	234,984.19
Net increase in Cash and Cash Equivalents during the year	(95,595.32)	82,160.21
Cash and Cash equivalents at beginning of the year	199,291.12	117,130.91
Cash and Cash equivalents at the end of the year	103,695.80	199,291.12

Particulars	₹ in Lakhs	
	As at March 31, 2015	As at March 31, 2014
Cash and Cash equivalents comprises of :		
Cash in Hand	931.01	1,394.07
Cheques on hand	19.59	-
Balance with Banks		
- in unpaid dividend accounts (Refer note 3 below)	17.34	13.72
- in unpaid share application money (Refer note 3 below)	-	19.32
- in current account	70,419.00	111,048.66
- in deposit accounts having original maturity less than three months	32,308.86	86,815.35
Total	103,695.80	199,291.12

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS) - 3 'Cash Flow Statements' notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.
- Cash and cash equivalents in the balance sheet comprises of Cash in hand and Cash at bank.
- The balances are not available for use by the Company as they represent corresponding unpaid dividend liability and unpaid share application money.

As per our report of even date

For S.R. BATLIBOI & CO. LLP

ICAI Firm Registration No. 301003E
Chartered Accountants

per Shrawan Jalan

Partner
Membership No. 102102
Place : Mumbai
Date : May 13, 2015

For and on behalf of the Board of Directors of
Capital First Limited

V. Vaidyanathan
Chairman & Managing Director
DIN 00082596

N. C. Singhal
Director
DIN 00004916

Pankaj Sanklecha
Chief Financial Officer &
Head - Corporate Centre
Place : Mumbai
Date : May 13, 2015

Satish Gaikwad
Head Legal, Compliance &
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements comprise of the Financial Statements of Capital First Limited (the 'Company' or 'CFL') and its subsidiaries (hereinafter collectively referred to as the 'Group').

The financial statements have been prepared to comply in all material respects with the Accounting Standards ('AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India (IGAAP) and as per the guidelines issued by Reserve Bank of India ('RBI') as applicable to a Non-Banking Financial (Non-deposit accepting or holding) Companies ('NBFC Regulation'). The financial statements have been prepared on an accrual basis and under the historical cost convention. The notified Accounting Standards (AS) are followed by the Company insofar as they are not inconsistent with the NBFC Regulation.

B. PRINCIPLES OF CONSOLIDATION

- i. The Consolidated Financial Statements are prepared in accordance with AS - 21 on "Consolidated Financial Statements" notified under Section 133 of the Companies Act, 2013 (the 'Act') read together with paragraph 7 of the Companies (Accounts) Rules, 2014'. The financial statements of these group companies are prepared according to uniform accounting policies, in accordance with accounting principles generally accepted in India. The effects of Inter Company transactions are eliminated on consolidation.

The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviations, if any to the extent possible unless otherwise stated, are made in the Consolidated Financial Statements and are presented in the same manner as the Company's standalone financial statements.

- ii. The subsidiary companies considered in the presentation of the Consolidated Financial Statements are:

Particulars	Country of incorporation	Proportion of ownership interest as at March 31, 2015	Proportion of ownership interest as at March 31, 2014	Financial year ends on
Subsidiaries :				
Capital First Investment Advisory Limited	India	100%	100%	31st March
Capital First Commodities Limited	India	100%	100%	31st March
Anchor Investment & Trading Private Limited	Mauritius	100%	100%	31st March
Capital First Home Finance Private Limited	India	100%	100%	31st March
Capital First Securities Limited	India	100%	100%	31st March

For the purpose of Consolidated Financial Statements, the results of CFL and its subsidiaries for the year ended March 31, 2015 have been derived from the respective Company's audited financials of the year ended March 31, 2015.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

- iii The company classifies its foreign subsidiary operations as non-integral foreign operations.

The assets and liabilities are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at average rates. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.

2. GOODWILL ON CONSOLIDATION

The excess of cost to the holding Company of its investment in subsidiaries over the holding Company's portion of equity in the subsidiaries at the respective dates, on which investments in subsidiaries were made, has been recognized in the Consolidated Financial Statements as goodwill. The holding Company's portion of equity in the subsidiaries is determined on the basis of the book value of assets and liabilities as per the financial statements of the subsidiaries as on the date of investment.

The Goodwill on consolidation is evaluated for impairment whenever events or changes in circumstances indicate that its carrying amount may have been impaired.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Change in Accounting Policy

I) *Accounting for debenture issue expenses*

During the year, the Company has changed its accounting policy for recording debenture issue expenses from charging against Securities Premium Account to charging in profit and loss account over the tenure of debentures. Had the Company followed earlier accounting policy profit would have been higher by ₹ 59.17 lakhs.

II) *Employee stock compensation cost*

Till October 27, 2014, the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, dealt with the grant of share-based payments to employees. Among other matter, these guidelines prescribed accounting for grant of share-based payments to employees. Hence, the Company being a listed entity was required to comply with these Guidelines as well as the Guidance Note on Accounting for Employee Share-based Payments with regard to accounting for employee share-based payments. Particularly, in case of conflict between the two requirements, the SEBI guidelines were prevailing over the Institute of Chartered Accountants of India ('ICAI') Guidance Note.

From October 28, 2014, the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 have been replaced by the SEBI (Share Based Employee Benefits) Regulations, 2014. The new regulations don't contain any specific accounting treatment; rather, they require ICAI Guidance Note to be followed. Consequent to the application of the new regulations, the Company has changed its accounting for equity settled option expiring unexercised after vesting in line with accounting prescribed in the Guidance Note, i.e., expense is not reversed through the statement of profit and loss. The management has decided to apply the revised accounting policy prospectively from the date of notification of new regulation, i.e., October 28, 2014.

Since there are no equity settled options expiring unexercised after October 28, 2014, the change in accounting policy did not have any material impact on financial statements of the Company for the current year.

(b) Current/Non Current classification of assets and liabilities

As required by Revised Schedule III, the Company has classified assets and liabilities into current and non-current based on the operating cycle. An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Since in case of non-banking financial Company normal operating cycle is not readily determinable, the operating cycle has been considered as 12 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(c) Use of estimates

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Principles ("IGAAP") requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(d) Change in estimates

I) *Provisioning on retail loans, other than Mortgage Loans and Consumer Loans*

During the year ended March 31, 2015, the Company has changed its accounting estimates related to provisioning for non performing retail loans, other than Mortgage Loans and Consumer Loans. Had the Company followed earlier estimates, profit for the year would have been higher by ₹ 436.50 lakhs.

II) *Provision for standard assets*

The Company has opted for early phased compliance with RBI notification vide notification no. RBI/2014-15/299 dated November 10, 2014, which requires increased provision on standard assets in a phased manner over a period of three years. As a result of which provision for standard assets for the year ended March 31, 2015 is higher by ₹ 431.64 lakhs.

III) *Depreciation on fixed assets*

- (a) Pursuant to the Companies Act, 2013 (the "Act") becoming effective from April 01, 2014, the Company has recomputed the depreciation based on the useful life of the assets as prescribed in Schedule II of the Act. This has resulted in additional charge of depreciation of ₹ 343.04 lakhs for the year ended March 31, 2015. Further, as per the transitional provision, the Company has adjusted ₹ 67.14 lakhs (net of deferred tax) in the opening balance of Surplus in Statement of Profit and Loss.

Till the year ended March 31, 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

(b) *Useful lives/depreciation rates*

Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets. This has resulted in additional charge of depreciation of ₹ 343.04 lakhs for the year ended March 31, 2015. Further, as per the transitional provision, the Company has adjusted ₹ 67.14 lakhs (net of deferred tax) in the opening balance of Surplus in Statement of Profit and Loss.

(e) Tangible assets

Fixed assets, except land acquired before April 1, 2010, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS-5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(g) Depreciation on Tangible asset/Amortisation of Intangible asset

Particulars	Useful lives estimated by the Management (Same as specified in Schedule II of Companies Act, 2013)
Computers and Printers	3 years
Servers	6 years
Office Equipment	5 years
Furnitures & Fixtures	10 years
Electrical Installation	10 years
Air Conditioners	5 years
Leasehold Improvements	5 years
Intangible assets	5 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(h) **Loans**

Loans are stated at the amount advanced, as reduced by the amounts received up to the balance sheet date and loans assigned.

(i) **Leases**

Operating Lease

Where the Company is lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the tenure of the lease.

Finance Lease

Where the Company is the lessor

Leases in which the Company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

(j) **Impairment of tangible and intangible assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted at the pre tax discount rate reflecting current market assessment of time value of money and risks specific to asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(k) **Investments**

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

Current investments are carried in the financial statements at fair value determined on an individual investment basis. Unquoted investments in units of mutual funds are stated at net asset value.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(l) Commercial Papers

Commercial paper is recognised at redemption value net of unamortized finance charges. The difference between redemption value and issue value is amortised on a time basis and is disclosed separately under finance charges.

(m) Foreign currency transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(n) Revenue recognition

Interest income

Interest income from retail loans is accounted based on applying Internal Rate of Return ('IRR') and from other loans is accounted based on applying interest rate implicit in the contract. In case of non-performing assets interest income is recognised on receipt basis as per NBFC prudential norms.

Interest income on all other assets is recognised on time proportion basis.

Income on discounted instruments

Income on discounted instruments is recognised over the tenor of the instrument on straight line basis.

Fee and subvention income

Fee income on loans and subvention income is recognised as income over the tenor of the loan agreements. The unamortized balance is being disclosed as part of current liabilities. For the agreements foreclosed / transferred through assignment, balance of processing fees and subvention income is recognised as income at the time of such foreclosure / transfer through assignment.

Commission and brokerage income

Commission and brokerage income earned for the services rendered are recognised as and when they are due.

Income from Assignment of loans and receivables

Income from assignment of loans and receivables is amortised over the tenure of loans in accordance with the RBI circular "Revisions to the Guidelines on Securitisation Transactions" dated August 21, 2012.

Income on retained interest in the assigned asset, if any, is accounted on accrual basis except in case of non-performing assets wherein interest income is recognised on receipt basis as per NBFC prudential norms.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Dividend income

Dividend income is recognised when the shareholders' right to receive payment is established by the balance sheet date. Dividend from the units of mutual funds is recognized on receipt basis in accordance with the NBFC Regulation.

(o) Profit/ Loss on sale of investments

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(p) Securities issue expenses

Equity issue expenses related to issuance of equity are debited against securities premium account in accordance with the provisions of Section 52 of the Companies Act, 2013.

Debenture issue expenses are charged to profit and loss account over the tenure of debentures.

(q) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated year mentioned under 'The Payment of Gratuity Act, 1972'. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date.

Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss in the period in which they arise.

(r) Leave encashment

Earned leave during the financial year and remaining unutilized will be encashed at the year end based on basic salary. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

(s) Borrowing costs

Borrowing costs consists of interest and other ancillary cost that an entity incurs in connection with borrowing of funds. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the tenor of borrowings.

(t) Loan origination cost

Loan origination costs such as credit verification, agreement stamping, direct selling agents commission and valuation charges are recognised as expense over the contractual tenor of the loan agreements. Full month's amortization is done in the month in which loans are disbursed. For the agreements foreclosed or transferred through assignment, the unamortised portion of the loan acquisition costs is recognised as charge to the Statement of Profit and Loss at the time of such foreclosure/transfer through assignment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(u) Income Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and Deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(v) Provisioning / Write-off on assets

Provisioning / Write-off on overdue assets

The provisioning/write-off on overdue assets is as per the management estimates, subject to the minimum provision required as per Non- Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007.

The Company accounts for provision for doubtful assets after taking into account the time lag between an accounts becoming overdue, its recognition as such and realisation of available security. The Company classifies non performing assets which are overdue for six months or more.

Provision on standard assets

Provision on standard assets has been made @ 0.30% which is higher than as prescribed by Reserve Bank of India ('RBI') guidelines.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(w) Employee Stock Option Scheme ('ESOS')

Employees (including senior executives) of the Company also receives remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

(x) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(y) Provisions

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(z) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(aa) Cash and Cash Equivalents

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity period of three months and short term highly liquid investments with an original maturity of three months or less.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	₹ in Lakhs			
	As at March 31, 2015	As at March 31, 2014		
3. Share Capital				
Authorized:				
103,000,000 (Previous Year: 103,000,000) Equity shares of ₹ 10/- each	10,300.00	10,300.00		
10,000,000 (Previous Year: 10,000,000) Compulsorily Convertible Preference shares ('CCPS') of ₹ 10/- each	1,000.00	1,000.00		
	11,300.00	11,300.00		
Issued, subscribed and fully paid-up:				
90,982,269 (Previous Year: 82,631,469) Equity shares of ₹ 10/- each	9,098.23	8,263.15		
Less: Nil shares (Previous Year: 609,713) held by Employee Welfare Trusts but not allotted to Employees (Refer Note No. 38)	-	(60.97)		
	9,098.23	8,202.18		
a. Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the reporting year:				
	As at March 31, 2015		As at March 31, 2014	
	Number	₹ in Lakhs	Number	₹ in Lakhs
At the beginning of the year	82,631,469	8,263.15	71,024,324	7,102.43
Issued during the year- Under Employees Stock Option Scheme	658,500	65.85	-	-
Issued during the year (Refer Note No. 37)	7,692,300	769.23	11,607,145	1,160.72
At the close of the reporting year	90,982,269	9,098.23	82,631,469	8,263.15
b. Terms/Rights attached to Equity Shares:				
The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any is proposed by the Board of Directors and is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
c. Shares held by the holding company and the subsidiary of the ultimate holding company:				
	As at March 31, 2015		As at March 31, 2014	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Equity shares of ₹ 10/- each				
Cloverdell Investment Ltd	58,237,645	5,823.76	58,237,645	5,823.76
Dayside Investment Ltd.	1,247,957	124.80	1,247,957	124.80
d. Particulars of equity share holders holding more than 5% of the total number of equity share capital:				
	As at March 31, 2015		As at March 31, 2014	
	Number	%	Number	%
Cloverdell Investment Ltd	58,237,645	64.01%	58,237,645	70.48%
JV & Associates LLP	4,773,795	5.25%	4,773,795	5.78%
Future Retail Limited (earlier known as Pantaloon Retail (India) Limited)	-	-	6,479,848	7.84%
			As at March 31, 2015	As at March 31, 2014
e. Securities convertible into equity shares:			Nil	Nil
f. Shares reserved for issue under Employee Stock Option Scheme (Refer Note No. 32)			10,255,125	4,635,500
g. Aggregate number of shares issued for a consideration other than cash during the period of five years immediately preceding the reporting date.			Nil	Nil

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

- h. In the previous year, share application money pending allotment represents money received from employees pursuant to exercise of stock options i.e. 62,500 equity shares with face value ₹ 10 at a premium of ₹ 123.70. The shares were allotted subsequent to the balance sheet date on April 9, 2014.

Particulars	₹ in Lakhs	
	As at March 31, 2015	As at March 31, 2014
4. Reserves and Surplus		
Capital Reserve		
Balance as per last Balance Sheet	5,925.00	5,925.00
Statutory Reserve under Section 45-IC of the RBI Act, 1934		
Balance as per last Balance Sheet	6,439.81	5,700.14
Add: Transferred from Statement of Profit and Loss	2,240.40	739.67
	8,680.21	6,439.81
Statutory Reserve under Section 29C of the National Housing Bank Act, 1987		
Balance as per last Balance Sheet	34.41	-
Add: Transferred from Statement of Profit and Loss	40.31	34.41
	74.72	34.41
Securities Premium Account		
Balance as per last Balance Sheet	86,666.07	70,609.71
Add : Received during the year	30,217.56	16,691.07
Less : Securities issue expenses	-	-
- Debentures issue expenses (Refer Note No. 2.1(a)(I))	-	(535.18)
- Equity issue expenses	(643.18)	(99.53)
	116,240.45	86,666.07
Less: Nil shares (Previous Year: 609,713) held by Employee Welfare Trusts but not allotted to Employees (Refer Note No. 38)	-	(1,429.38)
	116,240.45	85,236.69
Foreign Exchange Fluctuation Reserve		
Balance as per last Balance Sheet	406.18	229.55
Add : Addition during the year	(392.29)	176.63
	13.89	406.18
General Reserve		
Balance as per last Balance Sheet	1,537.95	1,260.57
Add : Transferred from Statement of Profit and Loss	1,120.20	277.38
	2,658.15	1,537.95
Surplus in the Statement of Profit and Loss		
Balance as per last Balance Sheet	9,319.45	6,762.21
Less: Accelerated Depreciation as per the Companies Act, 2013 (Refer Note 2.1(d)(III))	(67.14)	-
Less: Loss in recovery of advances granted to Employee Welfare Trusts (Refer Note 38)	(183.59)	-
Add: Profit for the year	11,428.15	5,262.82
Less: Appropriations:	-	-
Transfer to statutory reserve u/s 45-IC of the RBI Act, 1934	(2,240.40)	(739.67)
Transfer to statutory reserve u/s 29C of the National Housing Bank Act, 1987	(40.31)	(34.41)
Proposed dividend (Amount per share ₹ 2.20 (Previous year ₹ 2.00))	(2,002.35)	(1,654.12)
Dividend tax thereon (Refer Note No. 42)	(407.63)	-
Transfer to general reserve	(1,120.20)	(277.38)
	14,685.98	9,319.45
	148,278.40	108,899.49

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

₹ in Lakhs

Particulars	Non Current Portion		Current Maturities*	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
5. Long Term Borrowings				
Secured				
Redeemable Non-Convertible Debentures	20,000.00	57,430.00	37,430.00	6,480.00
Term Loans				
- from Banks	385,759.62	438,079.85	190,269.59	119,561.32
Unsecured				
Redeemable Non-Convertible Perpetual Debentures	19,000.00	14,000.00	-	-
Redeemable Non-Convertible Debentures (Subordinated debt)	20,000.00	20,000.00	-	-
Term Loans				
- from Banks (Subordinate debt)	27,497.95	27,499.33	-	-
- from Banks (Other)	-	-	5,000.00	12,500.00
	472,257.57	557,009.18	232,699.59	138,541.32

* Amount disclosed under the head 'Other current liabilities' (Refer Note No. 10)

a. Security details for Secured Redeemable Non-Convertible Debentures

Debentures are secured by first charge on the fixed asset owned by the Company and first exclusive charge on the standard receivables of retail and corporate loan assets and other current assets of the Company.

b. Particulars of Secured Redeemable Non-Convertible Debentures

₹ in Lakhs

Particulars	Face Value	Quantity	Date of Redemption	As at March 31, 2015	As at March 31, 2014
10.00% CAPFIRSTNCD Series 2	1,000,000	1,000	March 20, 2018	10,000.00	10,000.00
10.00% CAPFIRSTNCD Series 1	1,000,000	1,000	February 15, 2018	10,000.00	10,000.00
11.25%,Tranche 2	1,000,000	1,250	December 1, 2015	12,500.00	12,500.00
11.25%,Tranche 1	1,000,000	1,250	October 1, 2015	12,500.00	12,500.00
10.25%,Tranche 2-A *	1,000,000	60	August 31, 2015	600.00	600.00
11.00%,Tranche 2-B3	1,000,000	4	August 31, 2015	40.00	40.00
10.25%,Tranche 1-A *	1,000,000	751	August 16, 2015	7,510.00	7,510.00
11.00%,Tranche 1-B3	1,000,000	428	August 16, 2015	4,280.00	4,280.00
11.00%,Tranche 2-B2	1,000,000	3	February 28, 2015	-	30.00
11.00%,Tranche 1-B2	1,000,000	321	February 16, 2015	-	3,210.00
11.00%,Tranche 2-B1	1,000,000	3	August 31, 2014	-	30.00
11.00%,Tranche 1-B1	1,000,000	321	August 16, 2014	-	3,210.00
				57,430.00	63,910.00

* These Debentures have tenure of 5 years subject to call/put option with the lender/investor to be exercised only after 3 years from the date of issue.

c. Security details for Secured Term loans

1. Term loans of ₹ 4,000.00 lakhs (Previous Year: ₹ 5,999.73 lakhs) is secured by way of first exclusive charge on receivables of priority sector lending of the Company.
2. Term loans of ₹ 525,935.08 lakhs (Previous year: ₹ 513,391.88 lakhs) is secured by way of first pari passu charge on receivables of retail, wholesale credit and current assets of the Company.
3. Term loans of ₹ 46,094.13 lakhs (Previous Year: ₹ 38,249.56 lakhs) is secured by way of first exclusive charge on receivables of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

5. Long Term Borrowings (Contd.)

d. Particulars of Unsecured Redeemable Non-Convertible Perpetual Debentures				₹ in Lakhs	
Particulars	Issue Date	Coupon	Quantity	As at	As at
				March 31, 2015	March 31, 2014
CAPFIRSTPEPNCD Series 1	March 8, 2013	11.00%	1,000	10,000.00	10,000.00
CAPFIRSTPEPNCD Series 2	March 14, 2013	11.00%	250	2,500.00	2,500.00
CAPFIRSTPEPNCD Series 3	May 24, 2013	10.65%	150	1,500.00	1,500.00
CAPFIRSTPEPNCD Series 4	September 23, 2014	10.50%	500	5,000.00	-
				19,000.00	14,000.00

Particulars	As at	As at
	March 31, 2015	March 31, 2014
Funds raised through perpetual debentures	5,000.00	1,500.00
Amount outstanding as at the end of the year	19,000.00	14,000.00
Percentage of Perpetual Debt Instrument to Total Tier I Capital	11.31%	11.17%
Financial year in which interest on Perpetual Debt Instrument is not paid on account of Lock-in-clause	NA	NA

These Debentures have a 'Call Option' which may be exercised by the Company only after the instrument has run for a period of ten years from the date of allotment. Further, call option shall be exercised by the Company only with the prior approval of Reserve Bank of India (RBI) and as per RBI guidelines. It also have a coupon rate step-up option of 100 bps, which shall be exercised only once during the whole life of the instrument, in conjunction with the Call Option, after the lapse of 10 years from the date of allotment of issue. The coupon rate will be higher by 100 bps for subsequent years if Call Option is not exercised by the Company. The claim of the investors shall be pari passu among themselves and with other subordinated indebtedness of the Company, superior to the claims of investors in equity shares and subordinate to the claims of all other unsecured creditors and depositors of the Company, as regards repayment of principal and interest by the Issuer.

e. Particulars of Unsecured Redeemable Non-Convertible Debentures (Subordinated debt)				₹ in Lakhs	
Particulars	Face Value	Quantity	Date of Redemption	As at	As at
				March 31, 2015	March 31, 2014
10.30% CAPFIRSTUNNCD Series 1	1,000,000	1,000	February 28, 2023	10,000.00	10,000.00
10.30% CAPFIRSTUNNCD Series 2	1,000,000	500	February 28, 2023	5,000.00	5,000.00
9.50% CAPFIRSTUNNCD Series 3	1,000,000	500	May 17, 2028	5,000.00	5,000.00
				20,000.00	20,000.00

f. Terms of repayment:

Term loans from Banks - Secured

As at March 31, 2015

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
48-60 months	10.25% to 10.30%	Quarterly Instalments	108,906.25	6,085.76
36-48 months	10.20% to 10.30%	Quarterly Instalments	128,940.50	49,483.26
24-36 months	10.20% to 10.30%	Quarterly Instalments	119,912.87	63,873.11
12-24 months	10.25% to 10.30%	Semi-Annual & Quarterly Instalments	28,000.00	37,494.13
Upto 12 months	10.25%	Quarterly Instalments	-	33,333.33
Grand Total			385,759.62	190,269.59

As at March 31, 2014

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
More than 60 Months	10.25%	Quarterly Instalments	32,812.50	187.32
48-60 months	10.20% to 10.50%	Quarterly Instalments	174,998.93	19,999.00
36-48 months	10.20% to 10.55%	Quarterly Instalments	161,437.87	56,041.67
24-36 months	10.25% to 10.50%	Semi-Annual & Quarterly Instalments	65,497.23	37,500.00
12-24 months	10.25% to 10.70%	Quarterly Instalments	3,333.32	5,833.33
Grand Total			438,079.85	119,561.32

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

5. Long Term Borrowings (Contd.)

Term Loan from bank - Unsecured

As at March 31, 2015

₹ in Lakhs

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
48-60 months	10.35%	Bullet	7,499.87	-
36-48 months	11.75%	Bullet	19,998.08	-
Upto 12 months	10.00%	Bullet	-	5,000.00
Grand Total			27,497.95	5,000.00

As at March 31, 2014

₹ in Lakhs

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
More than 60 months	10.50%	Bullet	7,499.33	-
48-60 months	11.75%	Bullet	20,000.00	-
Upto 12 months	10.00% to 10.25%	Bullet	-	12,500.00
Grand Total			27,499.33	12,500.00

₹ in Lakhs

Particulars	As at	As at
	March 31, 2015	March 31, 2014
6. Other Long Term Liabilities		
Unamortised processing fees/subvention income (Refer Note No. 36(c))	4,635.63	3,836.26
Total	4,635.63	3,836.26
7. Long Term Provisions		
For standard assets (Refer Note No. 2.1(d)(II))	3,122.75	1,238.59
For doubtful loans and advances	2,472.89	2,265.34
For foreclosure/credit loss on assignment	3,818.83	5,837.97
Provisions for employee benefits		
- Gratuity	265.88	183.85
Total	9,680.35	9,525.75
8. Short Term Borrowings		
Secured		
Loans repayable on demand *		
- from banks	136,284.79	146,644.64
Unsecured		
Term Loan from Bank	2,500.00	-
Total	138,784.79	146,644.64

* Additional Information:

- Cash credit (including Working Capital Demand Loan) of ₹ 96,597.32 lakhs (Previous Year: ₹ 106,743.33 lakhs) is secured by way of first pari passu charge on receivables of retail, wholesale credit and current assets of the Company.
- Cash Credit of ₹ 39,687.47 lakhs (Previous Year: ₹ 39,901.31 lakhs) is secured by way of first exclusive charge on receivables of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	₹ in Lakhs	
	As at March 31, 2015	As at March 31, 2014
9. Trade Payables		
To Micro, Small and Medium Enterprises *	-	-
Others	8,168.67	13,967.27
	8,168.67	13,967.27
* Disclosure under Micro, Small and Medium Enterprises Development Act, 2006		
There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2015. The information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 (Act) has been determined to the extent such parties have been identified by the Company.		
10. Other Current Liabilities		
Current maturities of Long term borrowings (Refer Note No. 5)	232,699.59	138,541.32
Interest accrued and due on borrowings	441.11	210.10
Interest accrued but not due on borrowings	2,509.40	2,656.49
Income received in advance	115.60	22.56
Overdrawn Book balance	3,763.49	8,341.30
Unamortised processing fees/subvention income (Refer Note No. 36(c))	9,059.75	5,193.95
Unclaimed dividends	17.34	13.72
Unclaimed Share Application Money	-	19.32
Security Deposits	-	9.79
Other liabilities (includes statutory liabilities and payables under assignment activities)	19,862.69	6,250.69
	268,468.97	161,259.24
11. Short Term Provisions		
Proposed dividend	2,002.35	1,654.12
Dividend tax thereon (Refer Note No. 42)	407.63	-
Provision for employee benefits		
- Gratuity	39.54	20.43
- Leave encashment and availment	59.16	59.41
For standard assets (Refer Note No. 2.1(d)(II))	744.68	547.80
For doubtful loans and advances	2,085.23	285.58
For doubtful debts	329.57	300.53
For doubtful deposits	21.25	18.25
For foreclosure/credit loss on assignment	1,335.53	879.83
For Others	21.58	-
For income tax	1,786.03	-
	8,832.55	3,765.95

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

₹ in Lakhs

12. Fixed Assets

Particulars	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 1, 2014	Additions during the year	Deletions/ Adjustments during the year	As at March 31, 2015	As at April 1, 2014	For the year		As at March 31, 2015	As at March 31, 2014
						For Continued operations	For Discontinued operations		
Tangible Assets									
Own assets									
Land *	6.25	-	-	6.25	-	-	-	6.25	6.25
Computers and Printers	1,808.48	107.17	60.44	1,855.21	852.49	495.49	48.50	1,299.48	955.99
Office Equipment	605.77	78.01	105.13	578.65	170.66	226.81	48.97	348.50	435.11
Furniture and Fixtures	513.50	72.53	113.34	472.69	155.67	65.95	37.93	183.69	357.83
Electrical Installation	206.04	23.20	30.19	199.05	22.70	24.82	5.11	42.41	156.64
Air Conditioners	25.64	-	7.02	18.62	12.73	7.25	4.41	15.57	3.05
Leasehold Improvements	660.61	46.52	212.02	495.11	371.96	109.88	130.50	351.34	288.64
Sub-Total (A)	3,826.29	327.43	528.14	3,625.58	1,586.21	930.20	275.42	2,240.99	2,240.07
Intangible Assets									
Domain Names and Trade Names	16.31	-	-	16.31	16.03	0.07	-	16.10	0.21
Data Processing Software	1,026.87	175.35	-	1,202.22	510.84	167.09	-	677.93	516.04
Sub-Total (B)	1,043.18	175.35	-	1,218.53	526.87	167.16	-	694.03	516.32
Total (A+B)	4,869.47	502.78	528.14	4,844.11	2,113.08	1,097.36	275.42	2,935.02	2,756.39

* Mortgaged as security against Secured Non Convertible Debentures.

Notes: Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. As per the transitional provision, the Company has adjusted ₹ 101.71 lakhs in the opening balance of Surplus in Statement of Profit and Loss. Also, refer Note No. 2.1(d)(III).

Previous Year

₹ in Lakhs

Particulars	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 1, 2013	Additions during the year	Deletions/ Adjustments during the year	As at March 31, 2014	As at April 1, 2013	For the year		As at March 31, 2014	As at March 31, 2013
						For Continued operations	For Discontinued operations		
Tangible Assets									
Own assets									
Land *	6.25	-	-	6.25	-	-	-	6.25	6.25
Computers and Printers	1,983.94	268.59	444.05	1,808.48	964.63	222.47	22.04	356.65	1,019.31
Office Equipment	705.65	43.96	143.84	605.77	211.06	44.71	0.44	85.55	494.59
Furniture and Fixtures	650.14	27.48	164.12	513.50	246.37	31.51	0.51	122.72	357.83
Electrical Installation	202.74	12.19	8.89	206.04	13.74	9.78	-	0.82	183.34
Air Conditioners	72.63	9.17	56.16	25.64	51.83	0.74	0.40	40.24	20.80
Leasehold Improvements	1,261.20	18.20	618.79	660.61	833.08	117.74	5.16	584.01	288.64
Vehicles	20.63	-	20.63	-	20.63	-	-	20.63	-
Sub-Total (A)	4,903.18	379.59	1,456.48	3,826.29	2,341.34	426.95	28.55	1,210.62	2,240.07
Intangible Assets									
Domain Names and Trade Names	16.31	-	-	16.31	15.96	0.07	-	16.03	0.28
Data Processing Software	1,187.36	113.12	273.61	1,026.87	487.25	161.73	25.83	163.98	700.11
Sub-Total (B)	1,203.67	113.12	273.61	1,043.18	503.21	161.80	25.83	163.98	700.46
Total (A+B)	6,106.85	492.71	1,730.09	4,869.47	2,844.55	588.75	54.38	1,374.60	2,756.39

* Mortgaged as security against Secured Non Convertible Debentures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Name of the Company	Quantity		₹ in Lakhs	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
13. Non-Current Investments				
Trade Investments: (Valued at Cost unless otherwise stated)				
Others:				
In fully paid up equity shares of ₹ 10 each				
IndoSpace Rohan Industrial Park Private Limited	-	-	7,146	21.95
IndoSpace Rohan Industrial Park Mahalunge Private Limited	-	-	105	20.01
IndoSpace Rohan Industrial Park Khed Private Limited	-	-	166	24.34
IndoSpace Rohan Industrial Park Pune Private Limited	-	-	105	20.05
IndoSpace SKCL Industrial Park Orgadem Private Limited	-	-	12,025	16.56
IndoSpace FWS Industrial Park Private Limited	-	-	3,957	7.80
			-	110.71
Less: Provision for diminution in value of investments			-	-
			-	110.71
Additional Information:				
Aggregate value of quoted investments			-	-
Aggregate value of unquoted investments			-	110.71
Aggregate provision for diminution in value of investments			-	-

Particulars	₹ in Lakhs	
	As at March 31, 2015	As at March 31, 2014
14. Deferred Tax Assets (Net)		
Deferred tax asset:		
On account of depreciation on fixed assets	377.21	191.08
Retirement Benefit	105.70	69.44
Provision for diminution in value of investments	53.12	-
Provision for doubtful debts	114.06	101.52
Provision for doubtful retail loans	1,548.03	857.63
Unamortised Processing fees	4,737.13	3,068.52
Provision for standard assets	1,337.02	606.70
Expenses allowed on payment basis	168.80	27.53
	8,441.07	4,922.42
Deferred tax liability:		
Special Reserve	24.71	11.16
Unamortised loan origination cost	3,295.47	2,233.44
Unamortised borrowing costs	908.09	969.79
	4,228.27	3,214.39
Net Deferred tax assets	4,212.80	1,708.03

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	₹ in Lakhs	
	As at March 31, 2015	As at March 31, 2014
15. Long Term Loans and Advances		
<i>Secured, considered good</i>		
Loans and advances relating to financing activity	576,876.80	451,836.18
<i>Secured, considered doubtful</i>		
Loans and advances relating to financing activity	11,257.46	3,879.66
<i>Unsecured, considered good</i>		
Capital advances	278.50	79.71
Security Deposits	834.38	754.76
Loans and advances relating to financing activity	65,349.49	33,028.86
Receivables under loans assigned	1,301.25	3,480.55
Advances recoverable in cash or in kind or for value to be received	85.47	138.37
Advance taxes (net of provision for tax)	7,363.29	7,387.96
	75,212.38	44,870.21
<i>Unsecured, considered doubtful</i>		
Loans and advances relating to financing activity	266.02	259.40
Receivables under loans assigned	249.33	-
	663,861.99	500,845.45
16. Other Non-Current Assets		
Unamortised loan origination cost (Refer Note No. 36(a))	7,475.33	3,813.23
Unamortised borrowing costs (Refer Note No. 36(b))	1,821.77	2,089.79
Balances with banks		
- in deposit accounts exceeding twelve months maturity *	16,971.86	19,273.36
	26,268.96	25,176.38

* includes under lien ₹ 15,200.00 lakhs (Previous year ₹ 16,021.21 lakhs) relating to assignment, ₹ 1,768.69 lakhs (Previous year ₹ 3,250.25 lakhs) relating to term loans and ₹ 3.17 lakhs (Previous Year : ₹ 1.90 lakhs) placed with VAT authorities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Particulars			₹ in Lakhs	
	Quantity	As at March 31, 2015	Quantity	As at March 31, 2014
17. Current Investments				
Investments in Equity Instruments (Quoted):				
In fully paid up equity shares of ₹ 10/- each				
Tata Coffee Limited	2,994,960	2,866.93	-	-
Entertainment Network (India) Limited	40,000	193.20	-	-
		3,060.13	-	-
Less: Provision for diminution in value of investments		(153.50)	-	-
		2,906.63	-	-
Investments in Other Instruments (Unquoted):				
Investments in Commercial Papers	-	-	7,000	34,631.52
Investments in Mutual funds:				
Birla Sunlife Cash Plus - Growth	842,932.931	1,852.50	-	-
DSP BlackRock Liquidity Fund - Direct Plan-Growth	121,550.776	2,393.56	-	-
Peerless Liquid Fund - Direct Plan - Growth	37,437.684	575.18	-	-
SBI Premier Liquid Fund - Direct Plan - Growth	26,162.226	575.29	-	-
JP Morgan India Liquid Fund - Direct Paln - Growth	3,167,520.520	575.20	-	-
Reliance Liquid Fund - Treasury Plan-Direct Plan - Growth Option	17,896.354	610.30	-	-
		6,582.03	-	-
		9,488.66		34,631.52
1. Additional Information:				
Aggregate value of quoted investments:				
- Cost		2,906.63		-
- Market Value		2,906.63		-
2. Aggregate value of unquoted investments:				
- Cost		6,580.60		34,631.52
- Net Assets Value		6,662.69		34,631.52
3. Details of commercial papers				
Name of body corporate	Quantity	As at March 31, 2015	Quantity	As at March 31, 2014
Aditya Birla Finance Limited	-	-	1,000	4,962.79
Kotak Mahindra Investment Limited	-	-	1,000	4,924.25
Family Credit Limited	-	-	2,000	9,914.04
L&T FinCorp Limited	-	-	2,000	9,901.59
Tata Housing Development Company Limited	-	-	1,000	4,928.85
Total	-	-	7,000	34,631.52

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	₹ in Lakhs	
	As at March 31, 2015	As at March 31, 2014
18. Trade receivables		
Trade receivables exceeding six months		
- Unsecured, considered doubtful	329.57	259.87
	329.57	259.87
Other debts		
- Unsecured, considered good	678.24	635.45
- Unsecured, considered doubtful	-	40.65
	678.24	676.10
	1,007.81	935.97
19. Cash and Bank Balances		
Cash and Cash Equivalents:		
Cash on hand *	931.01	1,394.07
Cheques on hand	19.59	-
Balances with Banks		
- in unclaimed dividend accounts	17.34	13.72
- in unclaimed share application money	-	19.32
- in current accounts	70,419.00	111,048.66
- in deposit accounts having original maturity less than three months	32,308.86	86,815.35
	103,695.80	199,291.12
Other Bank Balances		
Deposit with original maturity for more than three months but less than twelve months		
- in fixed deposit accounts #	2,000.00	2,006.39
- in fixed deposit account earmarked against Trade Guarantee Fund	10.00	10.00
	105,705.80	201,307.51
* Includes Cash in transit amounting to ₹ 318.08 lakhs (Previous Year: ₹ 120.98 lakhs)		
# includes under lien ₹ Nil (Previous Year: ₹ 2,000.00 lakhs) relating to assignment.		
Amount disclosed under non-current assets (Refer Note No. 16)	16,971.86	19,273.36

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	₹ in Lakhs	
	As at March 31, 2015	As at March 31, 2014
20. Short Term loans and advances		
<i>Secured, considered good</i>		
Loans and advances relating to financing activity *	120,268.59	155,212.81
<i>Secured, considered doubtful</i>		
Loans and advances relating to financing activity *	1,389.39	311.50
<i>Unsecured, considered good</i>		
Loans and advances relating to financing activity *	106,005.98	51,467.77
Receivables under loans assigned	1,136.27	1,448.94
Advances to staff **	-	100.00
Advances recoverable in cash or in kind or for value to be received	9,269.30	22,105.97
Security Deposits	130.96	168.14
<i>Unsecured, considered doubtful</i>		
Security Deposits	21.25	18.25
Loans and advances relating to financing activity *	1,076.63	577.51
Advances recoverable in cash or in kind or for value to be received	64.96	24.72
Receivables under loans assigned	30.82	-
	239,394.15	231,435.61
* Includes current maturities of long-term loans and advances and overdue advances.		
** Additional Information:		
Debts due by directors or other officers of the company	-	100.00
21. Other Current Assets		
Interest accrued and due	763.71	129.82
Interest accrued but not due	11,844.49	9,514.01
Unamortised loan origination cost (Refer Note No. 36(a))	2,057.67	2,760.53
Unamortised borrowing costs (Refer Note No. 36(b))	805.07	763.56
Unbilled Subvention Income	884.96	458.32
Others	-	14.83
	16,355.90	13,641.07

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	₹ in Lakhs	
	For the year ended March 31, 2015	For the year ended March 31, 2014
22. Revenue from operations		
Interest income	128,917.65	97,484.59
Other financial services		
Fee income	11,244.04	6,504.99
Income from assignment of loans	1,988.57	325.18
Commission and brokerage Income	289.29	985.99
	142,439.55	105,300.75
23. Other Income		
Profit on sale of current investments (net)	1,504.20	750.27
Interest on income tax refund	238.08	89.76
Excess provision written back	3.97	0.15
Other non operating income	-	110.49
	1,746.25	950.67
24. Employee Benefits Expense		
Salaries and wages	12,764.13	11,986.45
Contribution to provident and other funds	455.11	366.83
Staff Welfare Expense	360.03	325.66
	13,579.27	12,678.94
25. Finance Costs		
Interest expense	73,956.40	62,418.19
Other borrowing costs	4,823.43	2,249.93
	78,779.83	64,668.12
26. Depreciation and Amortisation expense		
(Refer Note No. 2.1(d)(III))		
Depreciation on Fixed Assets	828.83	426.95
Amortisation of intangible assets	166.82	161.80
	995.65	588.75

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	₹ in Lakhs	
	For the year ended March 31, 2015	For the year ended March 31, 2014
27. Other expenses		
Rent	1,478.32	1,456.90
Repairs others	815.93	735.60
Insurance	57.94	41.57
Rates and taxes	86.41	259.71
Auditors Remuneration (Refer note (i) below)		
- as auditor	75.70	74.79
- Tax audit fees	3.30	1.00
- for Certification and others	3.44	4.05
- for reimbursement of expenses	4.07	5.17
Commission and brokerage	356.56	248.80
Travelling expenses	962.24	745.19
Communication expenses	847.67	683.17
Printing and stationery	328.98	334.81
Recruitment expenses	133.96	105.56
Membership and subscription	70.92	43.17
Advertisement and publicity expenses	856.76	613.54
Electricity charges	276.39	248.55
Amortised loan origination cost	6,704.15	5,101.55
Provision and Write offs:		
Provision for doubtful loans and advances	3,186.97	1,064.82
Provision for diminution in investments		
- Others	153.50	-
Provision for standard assets (Refer Note No. 2.1(d)(II))	879.30	268.09
Bad loans and trade receivables written off (net of recovery)	6,298.63	3,552.96
	10,518.40	4,885.87
Loss on sale of fixed asset (including write off) (net)	171.78	111.54
Goodwill Written Off (Refer Note (ii) below)	644.88	-
Donations (Refer Note (iii) below)	84.00	11.00
Legal and professional charges	6,238.34	3,655.80
CMS Charges	735.88	579.16
Directors sitting fees	15.40	10.71
Collection expenses	2,575.62	1,303.71
Remuneration to non whole time directors		
- Commission	67.50	60.00
Miscellaneous expenses	444.67	519.59
	34,559.21	21,840.51

Note

- (i) Amount of ₹ 55.93 lakhs (Previous Year: ₹ Nil) paid to auditors in connection with the QIP issue is debited in securities premium account as per Section 52 of the Companies Act, 2013.
- (ii) The Company has recognised non cash write off of ₹ 644.88 lakhs (Previous Year : ₹ Nil). For the purpose of impairment testing, goodwill was allocated to the cash generating units ('CGU') which were generally taken as legal entities. The recoverable amount of CGU were based on their value in use.
- (iii) During the year, the Company has contributed ₹ 75.00 lakhs (Previous Year: ₹ Nil) towards Corporate Social Responsibility ('CSR') expenditure being revenue in nature.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

₹ in Lakhs

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
28. Earnings per equity share ('EPS')		
Basic EPS		
Profit for the year after tax expense	11,428.14	5,262.82
Weighted average number of equity shares	83,116,482	71,151,526
Nominal value per equity share	10.00	10.00
Earning per equity share - Basic	13.75	7.40
Diluted EPS		
Profit for the year after tax expense	11,428.14	5,262.82
Weighted average number of equity shares	83,116,482	71,151,526
Add: Weighted number of equity shares under options	4,055,002	153,611
Weighted average number of diluted equity shares	87,171,484	71,305,136
Nominal value per equity share	10.00	10.00
Earning per equity share - Diluted	13.11	7.38
29. Earnings per equity share ('EPS') from Continuing Operations		
Basic EPS		
Profit for the year after tax expense	11,165.92	5,895.09
Weighted average number of equity shares	83,116,482	71,151,526
Nominal value per equity share	10.00	10.00
Earning per equity share - Basic	13.43	8.29
Diluted EPS		
Profit for the year after tax expense	11,165.92	5,895.09
Weighted average number of equity shares	83,116,482	71,151,526
Add: Weighted number of equity shares under options	4,055,002	153,611
Weighted average number of diluted equity shares	87,171,484	71,305,136
Nominal value per equity share	10.00	10.00
Earning per equity share - Diluted	12.81	8.27

30. Contingent liabilities

Contingent Liabilities not provided for in respect of:

₹ in Lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Corporate guarantee given by group to banks	902.90	900.00
Liability on account of retail trades	117.99	19.00
Income-tax matters under dispute *	521.15	362.33

* Future cash outflows are determinable only on receipt of judgements/decisions pending with various forums/authorities.

₹ in Lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Estimated amount of contracts remaining to be executed on capital account and not provided for	340.95	194.98
Commitments relating to loans sanctioned but undrawn	9,411.69	12,083.96

31. Post-employment benefit plans

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service. Gratuity expense has been included in 'Contribution to provident fund and other funds' under Personnel expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

The following table summarise the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet for the respective plans.

A. Change in Present Value of Obligation

Particulars	₹ in Lakhs			
	Gratuity (Unfunded)		Gratuity (Funded)	
	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2015	For the year ended March 31, 2014
Present Value of the Obligation as at the beginning of the year	204.28	186.78	2.80	15.65
Interest Cost	16.53	17.74	-	1.49
Current Service Cost	124.92	94.35	-	0.73
Benefit Paid	(23.98)	(26.76)	(2.80)	(8.79)
Actuarial (gain)/loss on obligations	(16.33)	(67.83)	-	(6.28)
Present Value of the Obligation as at the end of the year	305.42	204.28	-	2.80

B. Fair Value of Plan Assets

Particulars	₹ in Lakhs			
	Gratuity (Unfunded)		Gratuity (Funded)	
	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2015	For the year ended March 31, 2014
Fair Value of the Plan Assets as at the beginning of the year	-	-	24.98	30.62
Expected return on Plan Assets	-	-	-	2.17
Difference in accrued interest and actual interest for previous year	-	-	-	0.05
Contributions	-	-	-	-
Benefits paid	-	-	(24.98)	(7.86)
Fair Value of the Plan Assets as at the end of the year	-	-	-	24.98

C. Actual return on Plan Assets

Particulars	₹ in Lakhs			
	Gratuity (Unfunded)		Gratuity (Funded)	
	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2015	For the year ended March 31, 2014
Actual return on Plan Assets	-	-	-	2.17

D. Amount recognised in the Statement of Profit and Loss

Particulars	₹ in Lakhs			
	Gratuity (Unfunded)		Gratuity (Funded)	
	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest Cost	16.53	17.74	-	1.49
Current Service Cost	124.92	94.35	-	0.73
Expected return on Plan Assets	-	-	-	(2.17)
Actuarial (gain)/loss on obligations	(16.32)	(67.83)	-	(6.28)
Total expense/(income) recognised in the Statement of Profit and Loss	125.13	44.26	-	(6.23)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

E. Reconciliation of Balance Sheet

₹ in Lakhs

Particulars	Gratuity (Unfunded)		Gratuity (Funded)	
	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2015	For the year ended March 31, 2014
Present Value of the Obligation as at the beginning of the year	204.28	186.78	2.80	15.65
Total expense/(income) recognised in the Statement of Profit and Loss	125.12	44.26	-	(6.23)
Benefits paid	(23.98)	(26.76)	(2.80)	(8.79)
Expected Return on Plan Assets	-	-	-	2.17
Present Value of the Obligation as at the end of the year	305.42	204.28	-	2.80
Fair Value of the Plan Assets as at the end of the year	-	-	-	24.98
Over funded obligations (Net)	-	-	-	22.18

The principal assumptions used in determining obligations for the Group's plans are shown below:

Assumptions	Gratuity (Unfunded)		Gratuity (Funded)	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Discount rate	8.09%	9.50%	9.50%	9.50%
Increase in compensation cost	8%	8%	8%	8%
Employee turnover	2%	2%	2%	2%
Rate of Return on Plan Assets	NA	NA	8.68%	8.68%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on plan assets is determined based on the market prices prevailing as on Balance Sheet date, applicable to the period over which the obligation is to be settled.

There are no material experience adjustments during the year and preceding four years and hence the same have not been disclosed.

32. Employee Stock Option Scheme ('ESOS')

For the year ended March 31, 2015

Particulars of Options	ESOS 2007	ESOS 2008	ESOS 2009	ESOS 2011	ESOS 2012	ESOS 2014
Outstanding as at the beginning of the year	344,000	512,500	350,000	1,379,000	2,050,000	-
Granted during the year	-	285,000	-	330,000	-	6,500,000
Forfeited/Cancelled during the year	-	207,500	23,750	421,875	183,750	-
Lapsed during the year	-	-	-	-	-	-
Exercised/Allotted during the year	-	152,250	26,250	235,250	244,750	-
Outstanding as at the end of the year	344,000	437,750	300,000	1,051,875	1,621,500	6,500,000
Exercisable at the end of the year	344,000	95,250	300,000	801,250	614,375	-
Weighted average remaining contractual life (in years)	5.47	10.54	5.54	8.04	8.64	10.90
Weighted average fair value of options granted (₹)	146.37	96.64	147.95	80.88	88.93	117.24
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

For the year ended March 31, 2014

Particulars of Options	ESOS 2007	ESOS 2008	ESOS 2009	ESOS 2011	ESOS 2012
Outstanding as at the beginning of the year	344,000	597,500	350,000	1,432,500	1,300,000
Granted during the year	-	200,000	-	22,500	955,000
Forfeited/Cancelled during the year	-	285,000	-	76,000	205,000
Lapsed during the year	-	-	-	-	-
Exercised/Allotted during the year	-	-	-	-	-
Outstanding as at the end of the year	344,000	512,500	350,000	1,379,000	2,050,000
Exercisable at the end of the year	344,000	269,750	327,500	591,375	298,750
Weighted average remaining contractual life (in years)	6.47	8.41	6.84	8.25	9.21
Weighted average fair value of options granted (₹)	146.37	88.36	141.14	74.00	87.45
Method of settlement	Equity	Equity	Equity	Equity	Equity

ESOS 2007

No further options were granted during the year under this scheme. Options under this scheme will vest after the expiry of 3 years from the date of grant. All the options are exercisable within 5 years from the date of vesting or 10 years from the date of grant, whichever is later.

ESOS 2008

The Nomination and Remuneration Committee at its Meeting held on May 8, 2014 has granted options in respect of 285,000 equity shares to the eligible employees at an exercise price of ₹ 174.15. The options will vest in graded proportion of 20% each year after the expiry of 1, 2, 3, 4 and 5 year respectively. All the options are exercisable within 5 years from the date of vesting or 10 years from the date of grant, whichever is later.

ESOS 2009

No further options were granted during the year under this scheme. The options will vest in graded proportion of 25% each year after the expiry of 1, 2, 3 and 4 year respectively. All the options are exercisable within 5 years from the date of vesting or 10 years from the date of grant, whichever is later.

ESOS 2011

The Nomination and Remuneration Committee at its Meeting held on May 8, 2014 and December 5, 2014 has granted options in respect of 270,000 equity shares and 60,000 equity shares respectively to the eligible employees at an exercise price of ₹ 174.15 and ₹ 353.90 respectively. The options will vest in graded proportion of 20% each year after the expiry of 1, 2, 3, 4 and 5 year respectively. All the options are exercisable within 5 years from the date of vesting or 10 years from the date of grant, whichever is later.

ESOS 2012

No further options were granted during the year under this scheme. The options will vest in graded proportion of 25% each year after the expiry of 1, 2, 3 and 4 year respectively. All the options are exercisable within 5 years from the date of vesting or 10 years from the date of grant, whichever is later.

ESOS 2014

The Nomination and Remuneration Committee at its Meeting held on April 2, 2014 has granted options in respect of 6,500,000 equity shares to the Chairman and Managing Director at an exercise price of ₹ 207.00. The said options were approved by the shareholders in the Annual General Meeting held on June 18, 2014. The options will vest in graded proportion of 25% each year after the expiry of 1, 2, 3 and 4 year respectively. All the options are exercisable on completion of 5th anniversary from effective grant date but prior to the expiry of 10th anniversary from the effective grant date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

The fair value of the stock options granted during the year have been calculated using Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows:

Particulars	ESOS 2008/ ESOS 2011/ ESOS 2014
Exercise Price	ESOS 2008 - 285,000 stock options with exercise price of ₹ 174.15 ESOS 2011 - 270,000 stock options with exercise price of ₹ 174.15 ESOS 2011 - 60,000 stock options with exercise price of ₹ 353.90 ESOS 2014 - 6,500,000 stock options with exercise price of ₹ 207.00
Historical Volatility	46.43% - 52.72%
Life of the options granted (Vesting and exercise period) in years	Vesting schedule: ESOS 2008 & ESOS 2011 - 20% each year from the end of 1, 2, 3, 4 and 5 years of the date of grant respectively. ESOS 2014 - 25% each year from the end of 1, 2, 3, and 4 years of the date of grant respectively Exercise Period: ESOS 2008 & ESOS 2011 - Within 5 years from the date of vesting or 10 years from the date of grant, whichever is later. ESOS 2014 - on completion of 5th anniversary from effective grant date but prior to the expiry of 10th anniversary from the effective grant date.
Dividend yield	0.57% - 1.15%
Average risk-free interest rate	8.02% - 8.93%

Proforma Accounting

Since the Company used the intrinsic value method the impact on the reported net profit and earnings per share by applying the fair value based method is as follows:

Particulars	₹ in Lakhs	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Net Profit after tax as reported	11,428.14	5,262.82
Less: Employee stock compensation cost under fair value method (Refer Note below)	4,001.70	1,787.74
Total	7,426.44	3,475.08
Basic earnings per share as reported	13.75	7.40
Proforma Basic earnings per share	8.93	4.88
Diluted earnings per share as reported	13.11	7.38
Proforma Diluted earnings per share	8.52	4.87

Notes:

Employee stock compensation cost includes ₹ 191.33 lakhs (Previous Year: ₹ 551.00 lakhs) pertaining to incremental fair value pursuant to modification of exercise period done in previous year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

33. Segment Reporting

Primary segment information (by business segments):

Segment Report as per Accounting Standard ('AS') - 17, 'Segment Reporting' for the year ended March 31, 2015:

Particulars	Consolidated		Financing Activities		Others	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
₹ in Lakhs						
Primary Segment-Business						
Revenue						
Income from external operations	144,185.80	106,251.42	143,970.78	106,152.22	215.02	99.20
Inter segment revenue	618.63	2,483.86	618.63	2,228.29	-	255.57
Total	144,804.43	108,735.28	144,589.41	108,380.51	215.02	354.77
Segment result	16,271.88	6,546.09	16,070.55	6,116.76	201.33	429.33
Interest on unallocated reconciling items	(0.04)	(70.99)	-	-	(0.04)	(70.99)
Income taxes	(5,105.92)	(580.01)	(5,029.26)	(474.33)	(76.66)	(105.68)
Net Profit after tax	11,165.92	5,895.09	11,041.29	5,642.43	124.63	252.66
Net Profit/(loss) from discontinuing operations (after tax)	262.22	(632.27)	-	-	262.22	(632.27)
Total Net Profit/(Loss) after tax including discontinuing operation.	11,428.14	5,262.82	11,041.29	5,642.43	386.85	(379.61)
Other Information						
Segment assets	1,048,444.33	996,059.03	1,044,806.25	990,539.06	3,638.08	5,519.97
Other unallocated assets	11,576.09	9,096.00	11,383.88	8,748.78	192.21	347.22
Assets relating to discontinuing operations	8,184.74	8,038.49	-	-	8,184.74	8,038.49
Total Assets	1,068,205.16	1,013,193.52	1,056,190.13	999,287.84	12,015.03	13,905.68
Segment liabilities	903,391.48	888,557.70	903,320.04	888,425.39	71.44	132.31
Other unallocated liabilities	-	-	-	-	-	-
Liabilities relating to discontinuing operations	7,437.05	7,450.59	-	-	7,437.05	7,450.59
Total Liabilities	910,828.53	896,008.29	903,320.04	888,425.39	7,508.49	7,582.90
Capital Expenditure *	502.78	492.71	502.78	485.12	-	7.59
Depreciation/amortisation	995.65	588.75	995.65	569.19	-	19.56
Other non-cash expenses	11,335.05	4,997.41	11,298.76	5,393.70	36.29	(396.29)

* including for discontinued operations ₹ Nil (Previous Year: ₹ 7.59 lakhs)

Geographical Segments:

The Company operates solely in one Geographic segment namely "Within India" and hence no separate information for Geographic segment wise disclosure is required.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

34. Related Party Disclosures

Names of related parties where control exists irrespective of whether transactions have occurred or not:

Relationship	Name of the Party
Holding Company	Cloverdell Investment Ltd

Names of other related parties with whom transactions have taken place during the year:

Relationship	Name of the Party
Fellow subsidiaries	Dayside Investment Ltd.
Key Management Personnel	Mr. V. Vaidyanathan - Chairman and Managing Director
Enterprises significantly influenced by key management personnel	JV & Associates LLP

Refer Annexure 1 and 1A for the transactions with related parties for the year ended March 31, 2015

35. Operating Leases

The Group's significant leasing arrangements in respect of operating leases are for premises (residential and office) and vehicle which are renewable on mutual consent at agreed terms. Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 36 to 60 months. There are no sub leases.

The aggregate lease rentals payable are charged to the statement of profit and loss.

₹ in Lakhs

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Lease payments recognized in the Statement of Profit and Loss	1,478.32	1,456.90

Details of non-cancellable leases are as follows:

₹ in Lakhs

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Minimum Lease Payments:		
Not later than one year	796.06	789.97
Later than one year but not later than five years	367.35	1,120.37
Later than five years	-	-

Finance Leases

In accordance with Accounting Standard – AS 19 – Leases, the reconciliation between the total gross investment in the lease and the present value of minimum lease payments (MLP) receivables as on March 31, 2015 and March 31, 2014 is as under:

₹ in Lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Gross investment in lease	-	5.50
Less: Unearned finance Income	-	0.25
MLP Receivables	-	5.25

Maturity Pattern of the Gross Investments in lease/Present Value of MLP Receivables:

₹ in Lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Gross investment for each of the following years:		
- Not later than one year	-	5.50
- Later than one year and not later than five years	-	-
	-	5.50

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	₹ in Lakhs	
	As at March 31, 2015	As at March 31, 2014
Present value of minimum lease payment for each of the following years:		
- Not later than one year	-	5.25
- Later than one year and not later than five years	-	-
	-	5.25
Unmatured finance charges	-	-
Unguaranteed residual value accruing to the benefit of lessor	-	-
Accumulated provision for minimum lease payment receivable	-	-

36. Deferment of loan origination cost, borrowing cost, processing fees and subvention income**a. Loan origination cost**

Particulars	₹ in Lakhs	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Total loan origination cost deferred	9,663.39	6,837.05
Cost amortised and charged to statement of profit and loss during the year	6,704.15	5,101.55
Unamortised cost shown into balance sheet :		
Current	2,057.67	2,760.53
Non-current	7,475.33	3,813.23

b. Borrowing cost

Particulars	₹ in Lakhs	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Total borrowing cost deferred	931.38	1,771.42
Cost amortised and charged to statement of profit and loss during the year	1,157.89	795.65
Unamortised borrowing cost shown into balance sheet:		
Current	805.07	763.56
Non-current	1,821.77	2,089.79

c. Processing fees and subvention income

Particulars	₹ in Lakhs	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Total unamortised income from processing fees/subvention income deferred	19,561.39	12,348.36
Income amortised and credited to Statement of Profit and Loss during the year		
- Fee income	6,305.15	4,295.84
- Interest income	8,591.07	4,753.91
Unamortised processing fees/subvention income shown into balance sheet:		
Current	9,059.75	5,193.95
Non-current	4,635.63	3,836.26

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

37. The Company had allotted on March 26, 2015, 7,692,300 equity shares of the Company of ₹ 10/- each, at the premium of ₹ 380/- each to qualified institutional buyers. The said funds aggregating to ₹ 29,999.97 lakhs received pursuant to the aforesaid allotment have been utilised as on March 31, 2015.
38. The Company had extended loans to its Employee Welfare Trusts ('Trusts') for purchase of shares of the Company. As per the Guidance Note issued by the ICAI on Accounting for Employee Share-based payment, till March 31, 2014, the Company adjusted the loan of ₹ 1,490.35 lakhs granted to the Trusts against the Share Capital to the tune of ₹ 60.97 lakhs and Securities Premium to the tune of ₹ 1,429.38 lakhs in respect of 609,713 shares held by the Trusts. During the year, the Trusts had sold all the shares held by them. An amount of ₹ 1,306.76 lakhs had been received by the Company from the Trust. Post the sale, the Share Capital and Securities Premium has been reinstated by an aggregate amount of ₹ 1,490.35 lakhs and the shortfall of ₹ 183.59 lakhs, after adjusting the repayment received from the Trusts is adjusted against the Reserves and Surplus.
39. During the year, the Board of Directors vide Circular Resolution dated February 04, 2015 has decided to exit gold loan business.
40. The Board of Directors at its meeting held on November 13, 2013 decided to discontinue its broking business carried on through its subsidiaries viz. Capital First Securities Limited (CFSL) & Capital First Commodities Limited (CFCL) (subsidiary of CFSL). The Board of Directors of foreign subsidiary Company namely, Anchor Investment & Trading Private Limited, has decided to file for voluntary liquidation subject to necessary approvals from regulatory authorities. In view of the foregoing, the accompanying financial statements have been prepared on the basis that the Company does not continue as a going concern and consequently, assets are measured at net realizable value and liabilities are measured at the cost to settle, as determined by the management. These expected realizable values and expected settlement values of assets and liabilities are subject to change on actual realization/settlement. The carrying amount of Assets and Liabilities as at March 31, 2015 and Income and Expenditure for the year ended March 31, 2015, pertaining to discontinued operations are:

₹ in Lakhs

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Continuing operations	Discontinuing operations	Continuing operations	Discontinuing operations
Total income	144,185.80	471.47	106,251.42	800.46
Operating Expenses	127,913.96	110.75	99,776.32	1,358.44
Profit/(Loss) from operating activities	16,271.84	360.72	6,475.10	(557.98)
Interest expense	-	0.81	-	14.37
Profit/(Loss) before tax	16,271.84	359.91	6,475.10	(572.35)
Tax	5,105.92	97.69	580.01	59.92
Profit/(Loss) after tax	11,165.92	262.22	5,895.09	(632.27)

Particulars	As at March 31, 2015		As at March 31, 2014	
	Continuing operations	Discontinuing operations	Continuing operations	Discontinuing operations
Total Assets	1,060,020.42	8,184.74	1,005,155.03	8,038.49
Total Liabilities	903,391.48	7,437.05	888,557.70	7,450.59
Cash flow (used in)/generated from operating activities	(152,880.17)	(2,083.56)	(125,369.92)	1,874.75
Cash flow generated/(used in) investing activities	28,903.70	246.13	(29,968.47)	639.96
Cash flow generated/(used in) financing activities	30,218.58	-	237,948.16	(2,963.97)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

41. Tax for earlier year includes ₹ 489.96 lakhs (Previous Year: ₹ Nil) in respect of Minimum Alternate Tax credit entitlement which was recognised on completion of assessment for AY 2012-13 .

During the previous year, an amount of ₹ 1,732.72 lakhs related to tax credit of Assessment Year 2011-12 in respect of bad debts written off which was allowed as a deduction on completion of assessment.

42. During the previous year, the Company had received dividend of ₹ 2,050.42 lakhs from its wholly owned foreign subsidiary on which income tax of ₹ 348.47 lakhs had been paid by the Company. As per the provision of the Income Tax Act, 1961, the tax paid was eligible for set off against the tax on dividend paid by the Company aggregating to ₹ 281.12 lakhs. Hence there was no dividend tax liability in the previous year on the Company relating to dividend proposed.
43. During the year, the Boards of Directors of the Company and Capital First Home Finance Private Limited (CFHFPL) and Capital First Investment Advisory Limited ('CFIAL'), wholly owned subsidiaries of the Company, at its meeting held on August 4, 2014, has approved the scheme of merger CFIAL in to CFHFPL, subject to necessary regulatory approvals. Pending such approvals, the impact of merger is not given in the books of Accounts in the current year.
44. The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial results at March 31, 2015. Refer Note No. 30 for details on contingent liabilities.
45. At the year end, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
46. Figures for previous year have been regrouped and/or reclassified wherever considered necessary, to conform to current year's classification.

As per our report of even date

For S.R. BATLIBOI & CO. LLP

ICAI Firm Registration No. 301003E
Chartered Accountants

per Shrawan Jalan

Partner
Membership No. 102102

Place : Mumbai
Date : May 13, 2015

For and on behalf of the Board of Directors of
Capital First Limited

V. Vaidyanathan
Chairman & Managing Director
DIN 00082596

Pankaj Sanklecha
Chief Financial Officer &
Head - Corporate Centre

Place : Mumbai
Date : May 13, 2015

N. C. Singhal
Director
DIN 00004916

Satish Gaikwad
Head Legal, Compliance &
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Annexure 1

Transactions with Related parties

₹ in Lakhs

Relationship Particulars	Holding Company		Key Management Personnel	
	April 01, 2014 to March 31, 2015	April 01, 2013 to March 31, 2014	April 01, 2014 to March 31, 2015	April 01, 2013 to March 31, 2014
Allotment of equity shares	-	12,853.29	-	-
Directors remuneration	-	-	612.05	412.05

Annexure 1A

Transactions with Related parties

₹ in Lakhs

Particulars	April 01, 2014 to March 31, 2015	April 01, 2013 to March 31, 2014
	Allotment of Equity Shares	
Cloverdell Investment Ltd	-	12,853.29
Total	-	12,853.29
Managerial Remuneration		
Mr. V. Vaidyanathan	612.05	412.05

Additional Information

(Amount in ₹)

Sr. No.	Name of the Subsidiary Company	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss	
		As % of consolidated assets	Amount	As % of profit or loss	Amount
	Parent	90.97%	143,163.20	92.48%	10,568.79
	Capital First Limited				
	Subsidiaries				
	Indian:				
1.	Capital First Investment Advisory Limited	2.39%	3,756.33	1.01%	115.63
2.	Capital First Commodities Limited	1.96%	3,087.86	1.36%	154.97
3.	Capital First Home Finance Private Limited	2.62%	4,121.58	1.76%	201.57
4.	Capital First Securities Limited	2.04%	3,204.96	(0.05%)	(5.56)
	Foreign:				
1.	Anchor Trading & Investment Private Limited	0.03%	42.70	3.44%	392.74
	Minority interests in all subsidiaries	NA	-	NA	-
	Associates (Investments as per the equity method)	NA	-	NA	-
	Joint Ventures (as per proportionate consolidation/ investment as per the equity method)	NA	-	NA	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Form AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures
Part "A": Subsidiaries

Sr. No.	Name of the Subsidiary Company	₹ in Lakhs				
		Capital First Investment Advisory Limited	Capital First Commodities Limited	Capital First Home Finance Private Limited	Capital First Securities Limited	Anchor Trading & Investment Private Limited
1.	Reporting period for the subsidiary	March 31, 2015	March 31, 2015	March 31, 2015	March 31, 2015	March 31, 2015
2.	Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Indian Rupees (INR)	Indian Rupees (INR)	Indian Rupees (INR)	Indian Rupees (INR)	USD
3.	Share Capital	600.59	2,832.50	3,627.50	6,735.56	7.75
4.	Reserves and surplus	3,155.74	255.36	494.08	(3,530.59)	34.95
5.	Total assets	3,830.29	10,492.07	29,695.22	3,232.00	52.67
6.	Total liabilities	73.96	7,404.22	25,573.64	27.03	9.97
7.	Investments	3,670.60	-	2,876.44	2,863.00	-
8.	Turnover	215.02	290.31	1,695.63	42.31	418.79
9.	Profit/(Loss) before tax	192.29	241.77	300.94	(5.56)	403.64
10.	Provision for tax	76.66	86.80	99.37	-	10.89
11.	Profit/(Loss) after tax	115.63	154.97	201.57	(5.56)	392.75
12.	Proposed dividend	-	-	-	-	-
13.	% of shareholding	100%	100%	100%	100%	100%

Notes:

a. During the year, Anchor trading and Investment Private Limited, a wholly owned foreign subsidiary, has filed for voluntary liquidation of the company.

Part "B" : Associates and Joint Ventures

Not applicable

As per our report of even date

For S.R. BATLIBOI & CO. LLP

ICAI Firm Registration No. 301003E
Chartered Accountants

per Shrawan Jalan

Partner
Membership No. 102102

Place : Mumbai

Date : May 13, 2015

For and on behalf of the Board of Directors of
Capital First Limited

V. Vaidyanathan

Chairman & Managing Director
DIN 00082596

Pankaj Sanklecha

Chief Financial Officer &
Head - Corporate Centre

Place : Mumbai

Date : May 13, 2015

N. C. Singhal

Director
DIN 00004916

Satish Gaikwad

Head Legal, Compliance &
Company Secretary



Registered & Corporate Office

CAPITAL FIRST LIMITED

CIN No. L29120MH2005PLC156795

IndiaBulls Finance Centre, Tower - 2, 15th Floor, Senapati Bapat Marg,
Elphinstone Road (W), Mumbai - 400 013

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