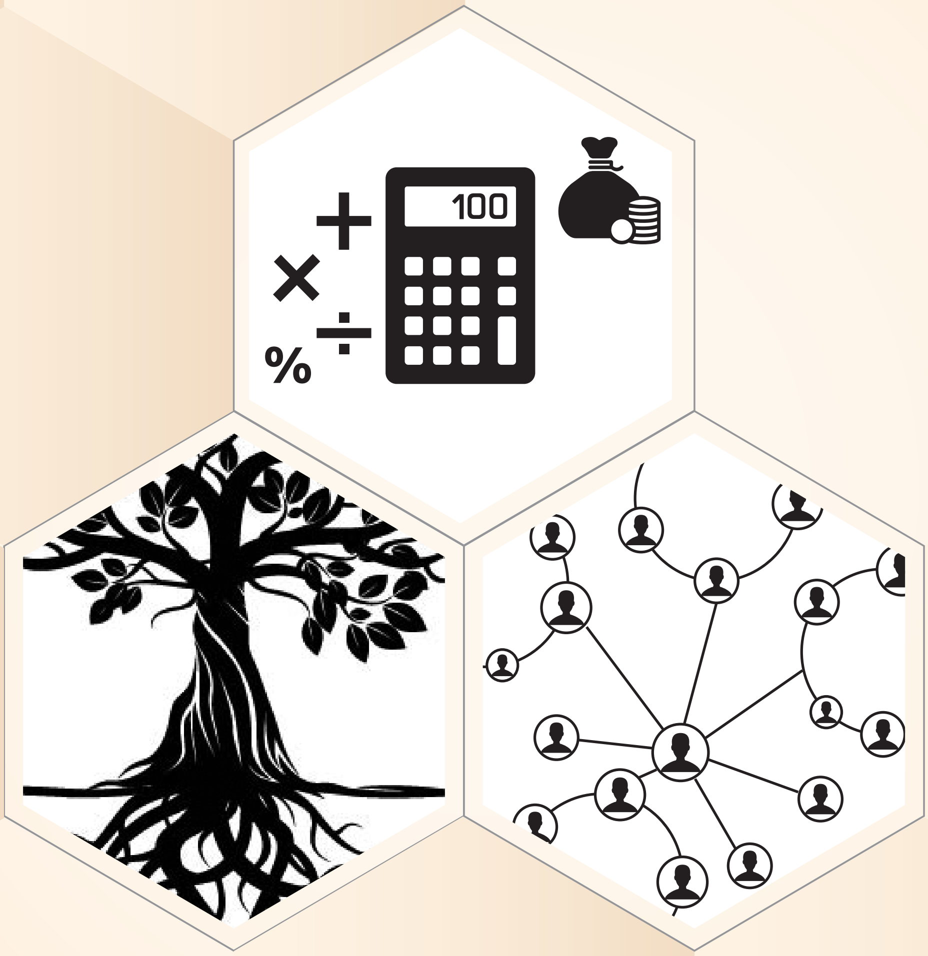
OUR CONVICTION defines OUR WAY



Capri Global Capital Limited

Annual Report 2016-17

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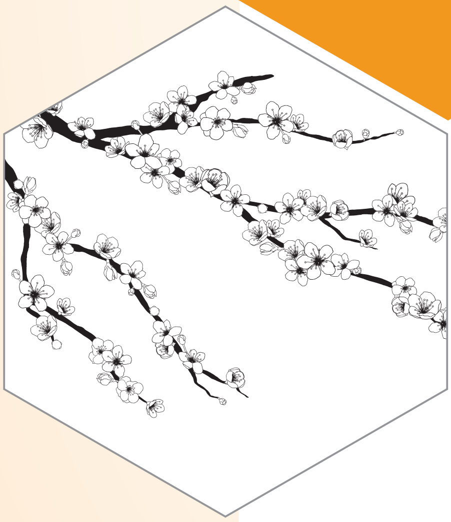
CAUTIONARY STATEMENT

The statements made in this report describe the Company's objectives and projections that may be forward-looking statement within the meaning of applicable laws and regulations. The actual result might differ materially from those expressed or implied depending on the economic conditions, government policies and other incidental factors which are beyond the control of the Company. The Company is not under any obligation to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments, information or events.

WE ARE GUIDED BY CONVICTION

A tiny sapling of aspiration, sown with determination, stands today tall and strong, a tree laden with fruits of success.

These words would quite accurately describe the journey of Capri Global Capital Limited which began in FY2011 with a mission to create a difference in the world of financial lending and stands now on a robust platform to deliver strong and sustainable growth by nurturing entrepreneurs and fulfilling dreams of aspiring home owners.



At Capri Global Capital Limited (CGCL), our biggest asset is the conviction in our vision. A vision to build lasting relationships with our customers and to earn their patronage through delivery of highest quality solutions.

Our business strategy is defined by our flexible approach to service our customers **'anytime, anywhere'** with products customised to their unique needs; prioritizing quality over quantity; and sustainability of business by diversifying asset base, optimising operations and sourcing mix of cheaper and long-term funding.

We foresee the next few years as marked by high operational excellence that will catapult CGCL into the big league of NBFCs not only in terms of size, reach and services but also technology and reliability. Going forward, our endeavour is to build self-reliant communities, empower entrepreneurs and fulfil emerging financial needs of our target customers through constant product customisation, deeper penetration and faster turnaround time.

Our ethical and value based relationship with the customers will continue to guide and motivate us in our mission to become a unique financial service institution.

CAPRI GLOBAL AT A GLANCE

WE ARE COMMITTED TO SERVE THE UNDERSERVED

As a corporate lending institution, our motto is not just to be another lending house but to be a holistic lending institution that understands, partners and nurtures the needs of its clients.

Borrowing and lending have existed ever since humans have learnt to live as a society. The acts have only evolved with the passage of time. CGCL believes in contributing to this evolution and giving this sector a new perspective in the times ahead.

The Company has earned its position as an emerging player in India's buoyant non-bank financing sector, steadily paving its way into high growth Micro and Small Enterprise and housing segments. With the mission to finance the under-funded and the underserved, we have built ourselves into a flexible and customer oriented organization.

"Efforts and courage are not enough without purpose and direction"
– John F. Kennedy

WE TURN PASSION INTO MILESTONES

FY 2011

- Raised capital through QIP of **₹445 crores**
- Started construction finance business

FY 2012

- Strengthened the construction finance business disbursed **>₹589 crores**

FY 2013

- Started Micro, Small and Medium Enterprise (MSME) lending
- Modest beginning from 4 offices with disbursals of **₹34.81 crores**
- Alliance with Capri Investment Group, a major real estate investment management firm in USA

FY 2014

- Branch network ramped up to 7 important locations
- 564% growth in MSME loan book (**₹224 crores**)
- Tie-up for bank credit lines aggregating to **₹100 crores**

FY 2015

- Secured 'A' credit rating
- **216** employee strength
- Branch strength further increased to **9** across the country

FY 2016

- Branch strength increased to 23 spanning over 5 states
- AUM **>₹1,000 crores**
- Improvement in credit rating to 'A+' by CARE
- Secured bank credit facilities aggregating to **₹485 crores**

FY 2017

- Foray into housing finance through subsidiary
- Raised **₹125 crores** through issue of NCDs/CP
- Bank credit lines of **₹855 crores**
- Team strength increased to **581**
- Branch network spread to **38** locations
- AUM **> ₹1800 crores**
- Borrowings relationship with 11 institutions

WE CUSTOMISE SOLUTIONS

MSME FINANCE

Product Portfolio

- Business loan against residential/ commercial/industrial properties
- For purchase of commercial/ industrial properties

Ticket Size and Tenure

- MSME-DSA Vertical: ₹ 50 lacs to ₹ 300 lacs
- MSME-Direct Vertical: ₹ 5 lacs to ₹ 50 lacs
- Tenure upto 15 years

Security

- First and exclusive charge on assests/properties
- Loan to value upto 65%
- FOIR upto 130%
- Debt service coverage ratio – 1.5 times

CONSTRUCTION FINANCE

Product Portfolio

- Construction finance/project finance
- Cash flow backed/asset backed financing
- Focus on affordable housing/mid-segment projects

Ticket Size and Tenure

- Between ₹ 10 crores to ₹ 50 crores, with greater focus on < ₹ 25 crores affordable segment
- Tenure upto 4 years

Security

- First and exclusive charge on project funded, providing physical cover of around 2 times and net cash flow cover of around 2.25-2.5 times
- Lending against visible cash flows providing adequate cover towards debt servicing with dedicated Escrow Mechanism

HOUSING FINANCE

Product Offerings

- Home loan for purchase of ready/ under construction residential units
- Loans for construction/extension/ renovation of homes
- Loans for plot purchase and home equity loans
- Focus on rural segment and informal income segment in tier-3/ tier-4 towns
- Focus on projects having support of Govt. Credit Linked Subsidy Scheme (CLSS)

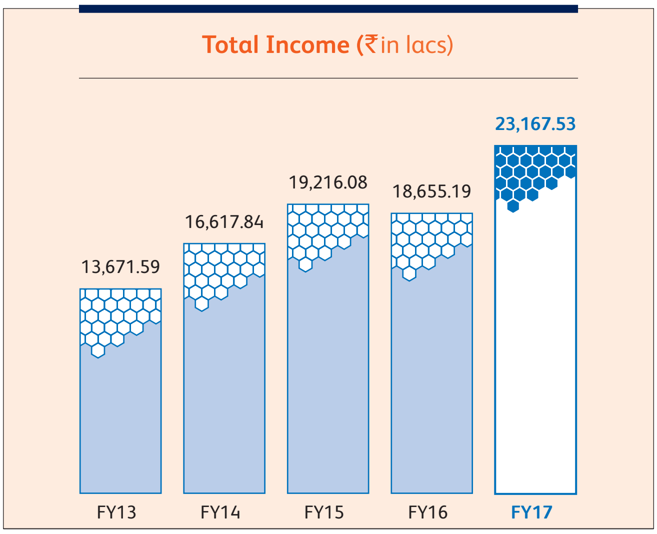
Ticket Size and Tenure

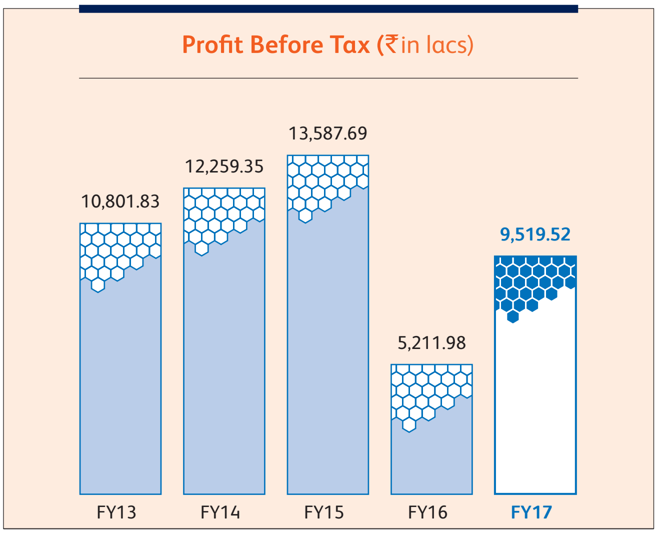
- Metro cities: ₹ 5 lacs to ₹ 50 lacs
- Non metros: ₹ 2 lacs to ₹ 40 lacs
- Tenure upto 20 years

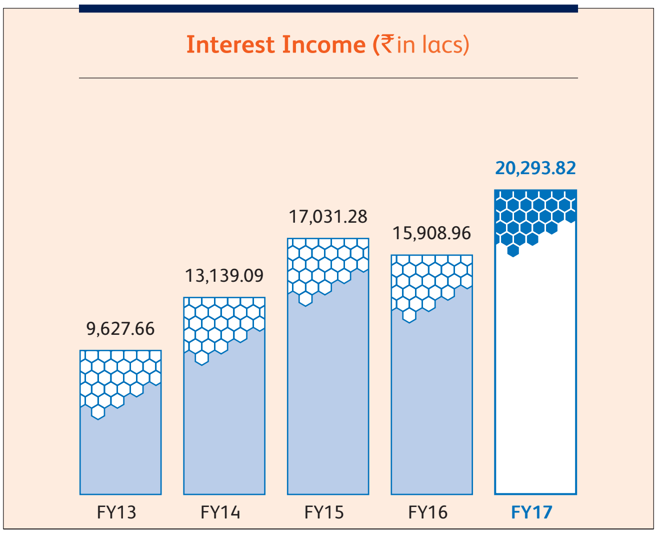
Security

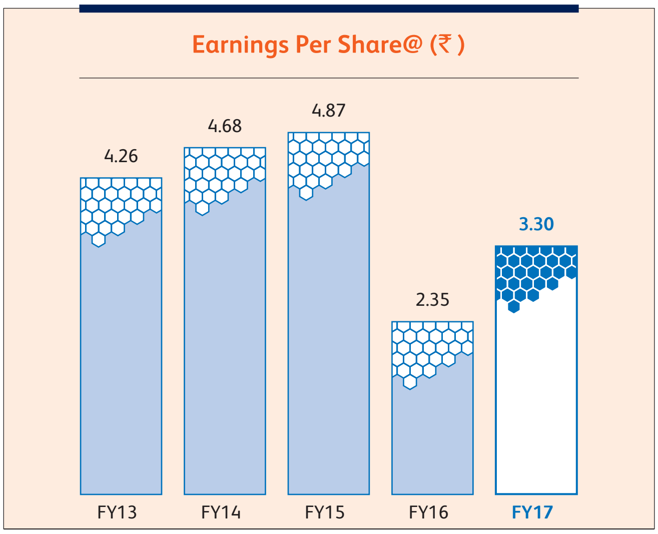
- Loan to value upto 90% for loans upto ₹ 30 lacs
- Loan to value upto 80% for loans above ₹ 30 lacs

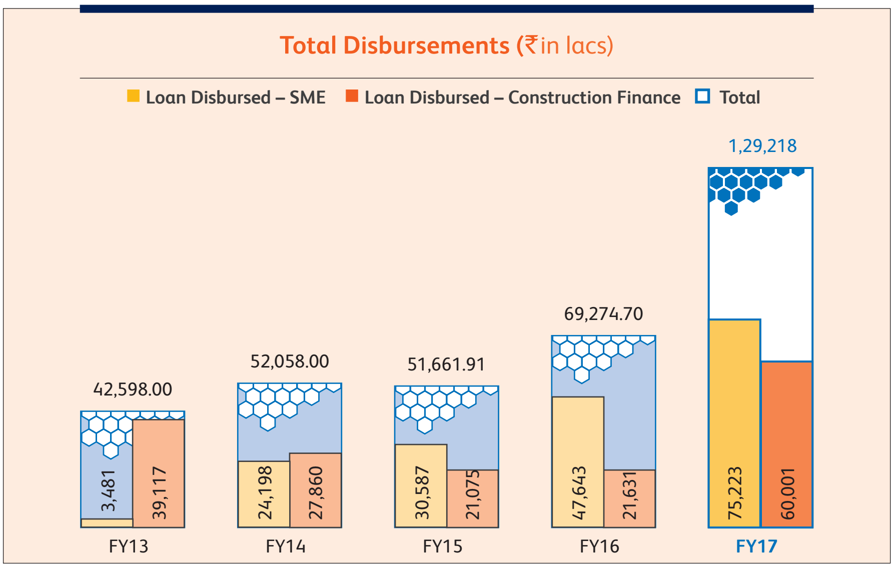
WE COMPETE WITH OURSELVES



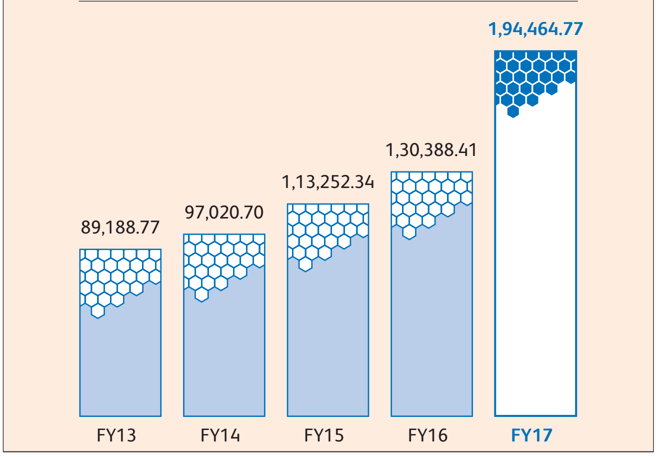




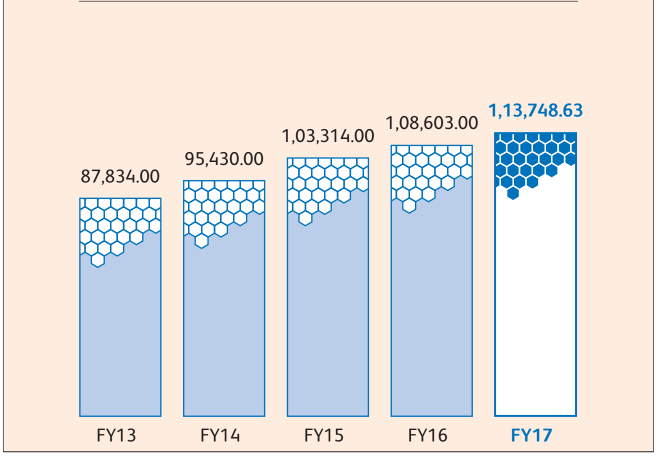




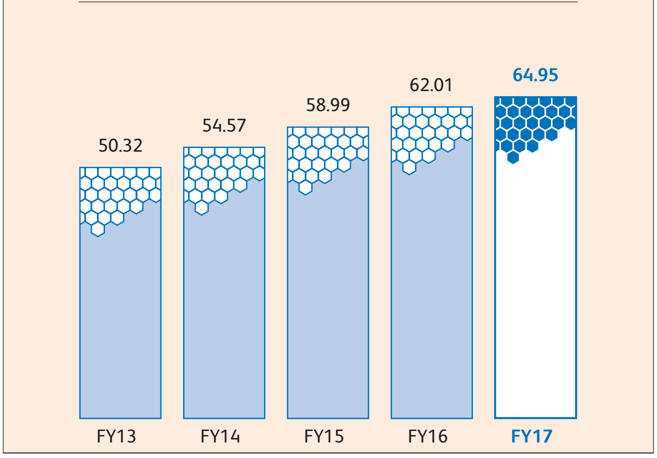
Total Assets (₹ in lacs)



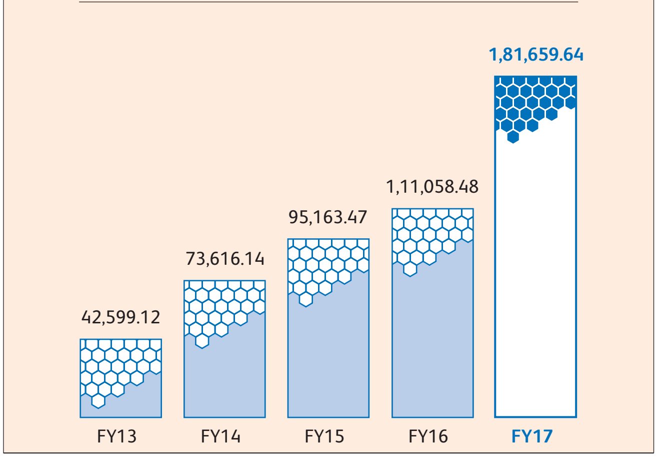
Net Worth (₹ in lacs)



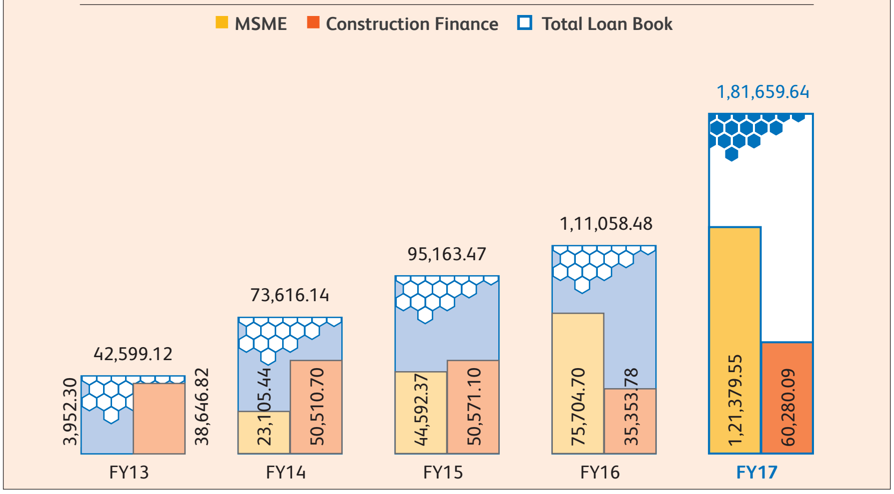
Book Value Per Share@ (₹)



AUM (₹ in lacs)



Loans and Advances (₹ in lacs)



@ ₹ 2/- per equity share, fully paid-up.

Dear Shareholders,

The Indian economy continues to demonstrate resilience and its undiminished ability to grow, which I believe is presenting significant opportunity to investors.

Able and determined political leadership has implemented a series of economic and structural reforms across core sectors that would appear to be creating the foundation for long-term, sustainable economic development and growth.

Under Prime Minister Modi's stewardship, India is perceived as "a right place to do business" which has helped attract foreign investment. Not surprisingly, FDI into India increased by 18% in 2016, to over $46 billion, at a time when global flow of FDI fell 13%. Historically, India has been synonymous with delay and bureaucracy; I would argue this is no longer the case.

India's growing economy will continue to drive demand for credit, which has surged over the last decade and delivered a healthy 12.5% growth in FY2017. We see significant opportunity for credit expansion to micro, small and medium enterprises (MSMEs) and affordable housing segments, where the access to formal financial products is still quite low, thus leading to a large demand-supply gap. Formal lending to the MSME sector is at ₹ 11 trillion ($176 billion), as per recent RBI estimates, whereas total demand is in excess of ₹ 32.5 trillion ($520 billion), nearly three times as much. Similarly, in affordable housing, the share of formal finance is less than 10%, with demand in the low and middle-income segments exceeding supply by 3 to 4 times. By pursuing a mission of financial inclusion, NBFCs like CGCL can play an important role in nation building– providing credit to underserved segments of society through better risk management, lower cost and customised service

The NBFC sector is growing faster than and gaining market share from the traditional banking sector,especially in small ticket and mortgage loans. NBFCs grew at an estimated 16% rate in FY2017 and are expected to grow at 21% in FY2018. This compares to a 5% and 8% growth rate, respectively, for traditional bank credit. Impressively, NBFCs now account for a third of the total incremental system credit. It is likely that this market share will grow from the present 15% to 18% of total system credit by FY2019.

$46bn

FDI inflow to India increased by 18% in 2016 to over $46 billion.

At CGCL, to drive our own growth we have developed 3 strategic focus areas. First, we want to become a trusted and preferred lending partner to micro and small enterprises. We have been innovating to become a holistic lending institution with expertise in understanding the unique needs of our customers. Our goal is to offer credit solutions to these important organisations, assisting in moving them into the mainstream of the Indian economy. We are building a robust platform that entails a branch network in MSME hubs and a direct sales force to reach deeper into geographic regions, all supported by technology and training for our lending team for higher efficiency and compliance.

Second, we are targeting the affordable housing segment in a major way, not just through our construction finance activity but also through direct retail lending to home buyers. Adequate housing for all Indians is a priority of the government through 2022 and initiatives such as the Real Estate Regulatory Act 2016, proposed infrastructure status to affordable housing; tax benefits to developers; and lowering the risk weights for small-ticket housing loans, REITs, etc. are all expected to boost credit growth in the affordable housing segment.

And last but perhaps the most exciting area is the formal launching of our third-party asset management company under the strategic alliance with Capri Investment Group (CIG), USA. The combination of favourable demographics, progressive government policies, and robust economic demand is attracting global capital to India. The AMC seeks to capitalise on these conditions through CIG's time-tested investment processes and well researched market strategies. Our collective approach is slow and steady, having meticulously researched and prepared for the launching of this significant initiative over many years. Our aim is to build a solid track record in this area and, in the process, diversify CGCL's revenue and income streams.

With these 3 areas of strategic focus and CGCL's priorities firmly aligned, our objective then becomes to deliver long term, sustainable value to all stakeholders. We will emphasise quality and profitability over hurried growth; have a strong culture of compliance and research; and be sensitive to the social and economic needs of our growing country. CGCL's balance sheet will always be a source of our strength, and with it, will enable us to build a portfolio of durable assets that we believe may withstand virtually any stress or challenge to the economy. How we source our customers; how we assess their credit worthiness; how we safeguard the company with ample legal and marketable collaterals; and how we proactively monitor our loans to prevent delinquencies, all will help ensure that CGCL's growth is anchored in sound business principles and practices. Having processes that are well documented and personnel that are well trained will further help ensure the highest quality loan origination, underwriting and servicing and strict adherence to legal and regulatory compliance.

Nevertheless, despite our excellent operational performance, we recognise that CGCL's return on equity has been suppressed, primarily due to the lack of leverage. During the year, we took $112.28 million (₹ 727.85crore) of funding from banks and other financiers to capitalise opportunities that our expanded footprint affords us. Our gearing is still quite low as compared to industry standards, but we will be prudent in leveraging and increase this gradually over the next 4 to 5 years.

I, therefore, remain excited about our growth prospects and continue to firmly believe in our leadership team as well as our highly knowledgeable and effective Board, which I have the great privilege to lead. We are uniform in our thinking that CGCL has unlimited potential to serve the needs of our market and deliver value to all our stakeholders.

On behalf of my colleagues on the Board of Directors, I take pleasure in applauding the infatigable efforts of the entire team of CGCL – now over 500 people – for their exceptional performance in the last financial year. I would also like to express our gratitude to the regulators, bankers, and our shareholders and customers for their continued support. It is your support that is allowing us to build CGCL into, what we believe, will become one of India's leading financial institutions.

Yours truly,

Quintin E. Primo III
Non-executive Chairman

CUSTOMER-CENTRICITY

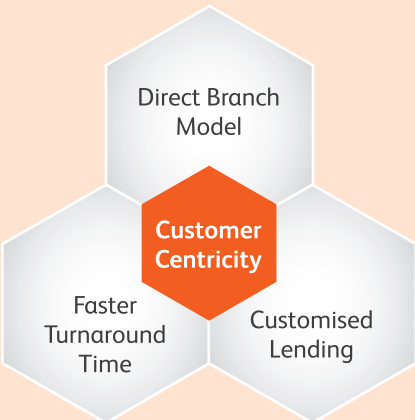
WE ARE REACHING OUT TO THE FARTHEST LOAN ASPIRANT

As a diversified lending institution, we have diverse customer profiles, ranging from local entrepreneurs to small and medium size manufacturing units.

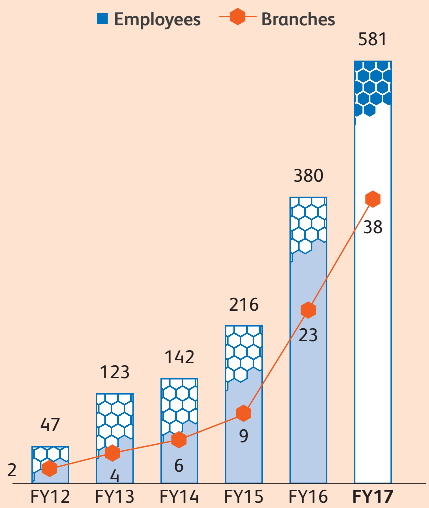
We deal with our clients on a one-to-one basis, which helps us understand and analyse their needs with more clarity. Our branches are the direct point of contact for our customers. We are steadily augmenting our branch offices in major MSME hubs in tier 2/3 cities, which will take us directly to the doorstep of our customers for better and prompt service.

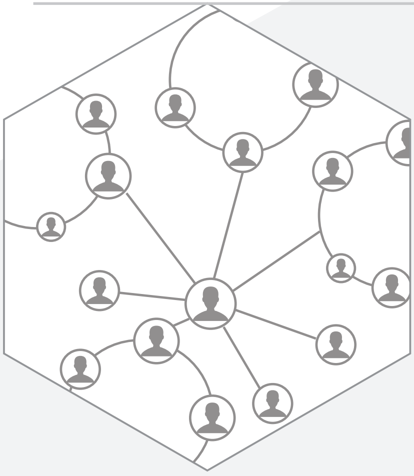
At CGCL, it has always been our first priority to provide the highest quality of customer service in prompt and efficient manner. Our thrust on expanding and improving our direct branch model is directed towards eliminating redundancies and inefficiencies in the lending process. It also has helped us in building long-term sustainable relationships with our clients.

Prompt Customer Service –Our First Priority



Enhanced Customer Reach





"Treat customers like lifetime partners"
– Michael LeBoeuf

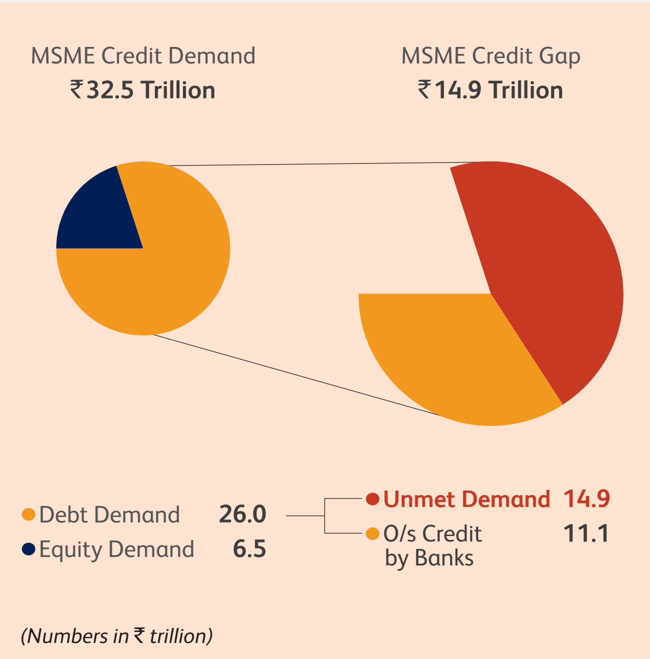
FOCUS ON THE UNDERSERVED AND UNDERFUNDED

CGCL offers financial inclusion to entrepreneurs in micro and small services enterprise segments and aspiring home owners that have been out of formal banking system due to lack of regular financial documentation.

Our on-ground branch personnel identify the exclusive needs of such customers, measure their income generation capability, hand-hold them in loan process and help them achieve financial freedom.

INDIAN MICRO, SMALL AND MEDIUM ENTERPRISES

A major constraint in the growth of the MSME sector, particularly micro and small enterprises has been non-availability of adequate and affordable finance. Not all small and medium enterprises find favour with traditional lenders due to their small loan ticket size and high risk perception. Consequently, the addressable market size of this sector is huge as a significant share of this sector still remains un-served and unbanked in the conventional banking system.

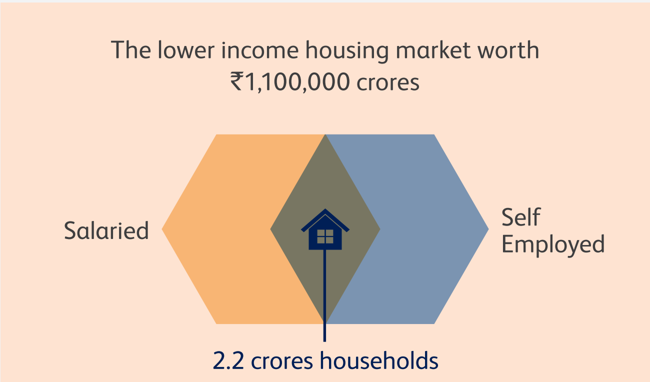


Source: International Finance Corporation (IFC)

AFFORDABLE HOUSING FINANCE

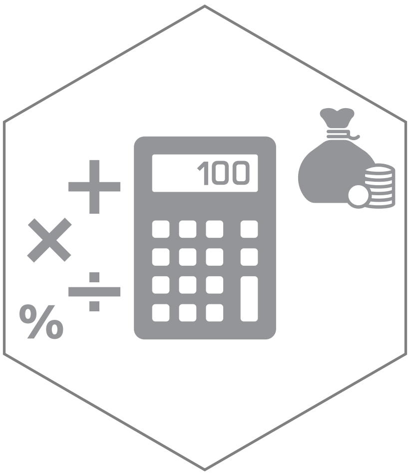
The Company has created a repute for itself in the construction finance business, by promoting and funding projects targeted to cater to the lower and middle class. CGCL's foray (through subsidiary) into affordable housing will further augment and consolidate its position in the sector.

As per estimates, India's housing finance market is worth an estimated ₹ 9.7 trillion which is primarily dominated by a handful of lenders, serving 70 % of the market. Despite this, the housing finance market continues to face considerable supply constraints, particularly in the lower income segment due to the perceived high risk of lending to the informal sector. The housing finance market in India has the potential to expand and include these borrowers who are currently not being serviced by financial institutions. These are individuals in the lower income segment that generally do not have formal proofs of income, a challenge for larger Housing Finance Companies (HFCs) but an opportunity for nimble players like CGCL.

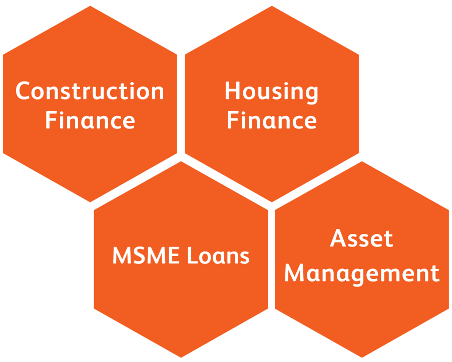


RISK MANAGEMENT

PRUDENT STRATEGIES FOR HIGH QUALITY PORTFOLIO



CGCL is slowly and steadily building capabilities and infrastructure, which will strengthen its position and potential as a financier of multiple needs of its customers throughout their business cycles.

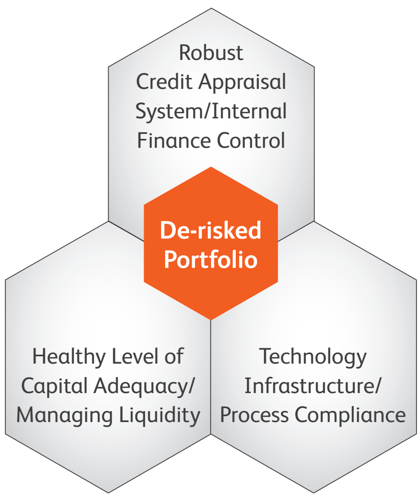


We are exploring newer territories, only after researching the demand, quality and growth options of that particular sector. Our asset base is not only diversified, but also high in merit and calibre. This we are achieving by taking the right and calculated level of exposure in different kind of assets through our continuously evolving prudent strategy.

CGCL's risk management committee continuously reviews and addresses issues such as systemic risks to the organization/portfolio/balance sheet arising from credit quality, liquidity and interest rate movements. The Company believes its efforts to continuously strengthen its risk framework and portfolio quality, has helped it build a stable and healthy portfolio. The Company continues to invest in people, processes and technology as we believe that these are vital elements for mitigating various risks posed by the environment.

WE EVOLVE CONTINUOUSLY TO CONFRONT RISKS

We strive to build our business on prudent and wise business policies, which we formulate taking into account the risks attached to our business. We try and take some far-sighted decisions, which may not yield results in short-term, but help us in creating an economically viable business. CGCL has in place adequate systems of internal control which are designed to achieve highest degree of transparency in its operations and effective compliance with applicable laws and regulations.

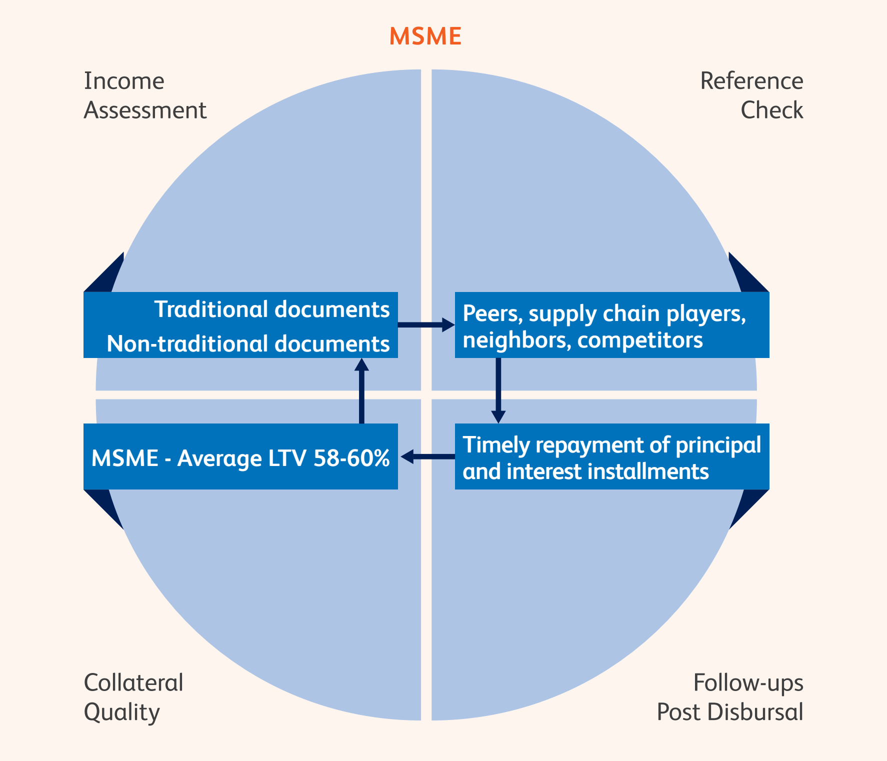


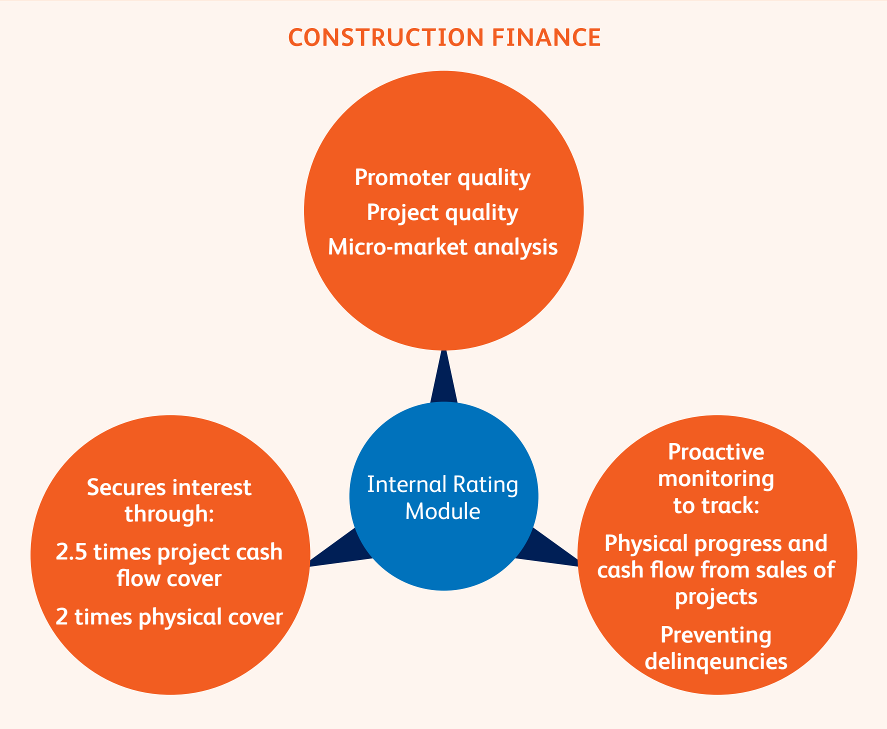
"Risk comes from not knowing what you're doing"
– Warren Buffett

STEADY AND CAUTIOUS PORTFOLIO BUILD-UP

The business of lending bears inherent risks, which if anticipated, analysed and mitigated at the correct time can help business achieve its true potential. CGCL's business operations in critical sectors like MSME and construction finance make it imperative for it to have a dynamic credit lending methodology. We have, therefore, set pre-defined risk parameters for each of our business verticals, which are strictly adhered to before sanctioning credit. Our first priority is to maintain portfolio quality which is the soul of any lending institution. We are cautious in our approach, but vibrant in our strategy.

All the MSME loan applications go through this stringent multi-layered credit assessment process , which involves both quantitative and qualitative screening of a customer's financial as well as social background check.





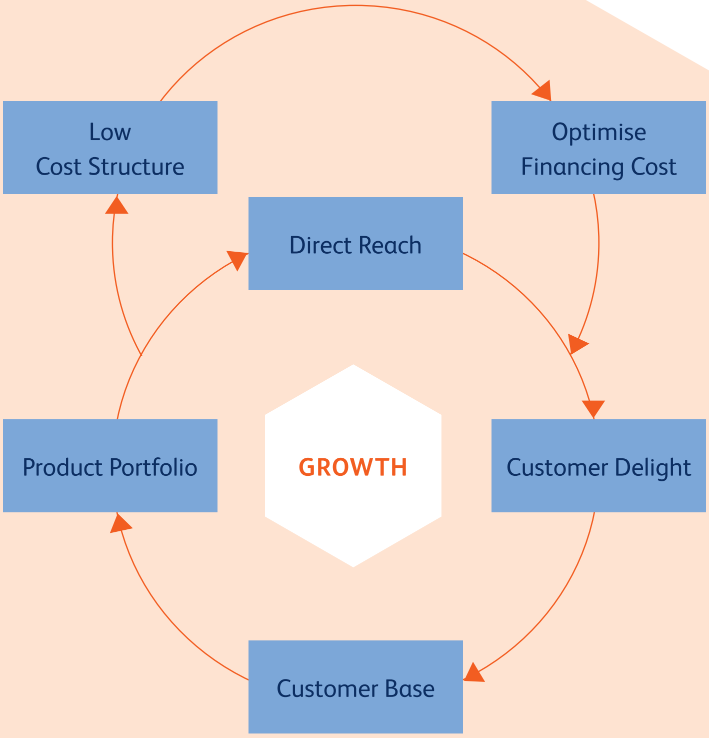
Our construction finance portfolio is secured and well balanced, which we have achieved through our stringent credit appraisal systems along with robust project monitoring and follow-ups

We are creating a business model that can thrive in the long-term by generating momentum through diversified and quality asset base and customer centricity.

CGCL has, over the years, created an inclusive asset base ranging from construction finance, MSME loans, urban retail loans to housing finance. This has helped us create a steady and sustainable revenue stream. A well-diversified assets base will not only help us withstand economic cycles of upturns and downturns, but also improve investor and customer confidence in the long-term stability of our operations.

The Company will take its existing branches to their optimal level of performance in terms of MSME loan disbursements and profitability; build construction finance by financing high quality affordable housing projects while balancing overall portfolio mix; strengthen reporting and add mobility platform to enhance customer service and reduce turnaround time; and tap new sources of funding/ increase leverage to improve return to shareholders.

Our self-sustainable business uses process innovation and personalised service to generate customer delight through customised product structures and competitive pricing.



We are diversifying our product portfolio and increasing our revenue stream by identifying and capitalising on new opportunities.

Our focus is on creating responsible products that promote financial inclusion and are tailored to meet specific financing needs of our target customers.

We believe in delighting our customers with superior service and quick turnaround on loans to attract and retain them.

Our risk management framework continues to evolve, to improve transparency and compliance as well as to incorporate newer method of evaluating credit worthiness of target customers.

CGCL attracts and retains talented employees offering them growth prospects preferably in the cities of their domicile.

By sweating our assets, we are driving operational efficiencies and lowering our operational costs.

With the intent to increase our leverage we are tapping new sources of finance to lower our cost of borrowing and thereby offering lower rate of interest to our customers.

CORPORATE SOCIAL RESPONSIBILITY

As a part of giving back to society, we strive to leverage our core competencies towards sustainable development of local communities.

"CGCL is committed to do business in a way that furthers human and social development. Over the next few years, we aim to initiate significant projects and strive towards creation of an equitable society."
– Rajesh Sharma, Director

Our Corporate Social Responsibility programmes are designed to address a wide range of issues such as illiteracy, unemployment, inaccessibility to healthcare and sanitation. For achieving this goal, CGCL has launched multiple programmes covering areas of education, livelihood development, healthcare and sanitation.

LIVELIHOOD INITIATIVES

Our livelihood initiatives endeavour towards reducing economic disparities faced by the urban poor. Driving income-generating programmes for the youth dwelling in slums and differently-abled persons, is an effort towards creating equal opportunities for their development.

70+
Individuals Supported

Skill-Development for Unemployed Youth

The programme implemented in partnership with technical institutes aims to provide skill-based training to under-privileged youth and create a cadre of skilled electricians, machinists, mechanics, draughtsmen and other tradesmen. 97 % of the trainees get absorbed into the workforce, and have been hired by noteworthy companies such as Godrej & Boyce Ltd, Eros Elevators Pvt. Ltd, Eureka Forbes Ltd, and Millennium Toyota.

Vocational Training Programmes for Differently-abled Persons

To promote inclusion of persons with disabilities in the mainstream, Capri Global Livelihood Programme was launched. The two-year support programme is designed to: enable differently abled persons acquire vocational skills in tailoring; gain livelihood support in the form of stipends and get employment ready. Furthermore, counselling and physiotherapy sessions help in their psycho-social development. The programme aims to make them self-reliant, hence, material support and guidance is continued till the individuals are able to earn. The trainees have produced over 3000 units of travel bags, purses, clothes and folders.

EDUCATION INITIATIVES

Our education initiatives provide financial assistance to meritorious and deserving students from economically challenged background. The programme enables students to pursue their aspirations and realise their potential.

155+
Individuals Supported

HEALTH AND SANITATION

The programme addresses the issue of access to basic rights such as healthcare, water and sanitation in partnership with various implementing organizations.

This year, the focus was on providing hygiene and sanitation services to the persons with physical impairment. As a pilot project, CGCL constructed two disabled-friendly toilets for a vocational training centre in Mumbai, with built-in emergency alarm, anti-slip flooring, and multiple grab bars. Few individuals are now able to access toilets without any assistance and feel empowered. The initiative is a great step towards restoring their dignity. Other initiatives include organizing health-check up and distribution of hygiene kits to 325 children living in child care institutions across Maharashtra.

375+
Individuals Benefited

Khushboo is a young, spirited girl who is beaming with joy as she starts college this summer. Except that her journey till here was nothing short of a herculean task.

Success Story: Overcoming Disability

Khushboo lost her parents at a very young age; and her elder brother was her only source of support. In 2012, she was diagnosed with bone tuberculosis. The TB severely affected her spinal cord and left her bound to a wheelchair. The medical expenses worsened their economic situation. The entire incident shattered her confidence to the extent that Khusboo quit studying.

Two years back, a ray of hope came into Khushboo's life; she became a part of the Capri Foundation supported livelihood program. The programme was designed to provide vocational training and psycho-social support to people living with disabilities. During the training period, Khushboo learnt to stitch bags and purses and started earning stipends of ₹3,000 per month. With the help of physiotherapy sessions, she was even able to walk unassisted.

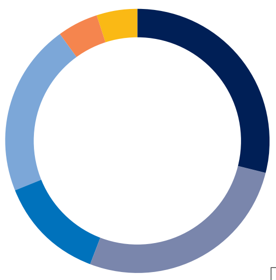
With constant encouragement and confidence from her peers in the training, Khushboo resumed her studies and cleared her S.S.C exams in March 2016, scoring 84%. She is currently enrolled in junior college and continues to work with the centre as a freelancer. Capri Foundation has provided her a sewing machine, she takes orders from the centre. Khushboo is efficiently managing her studies, work and her health all by herself. Most importantly, she has regained her confidence.

We at CGCL admire her undying spirit and are glad to empower many other persons who are undeterred by any form of physical disability.

Our vision is to partner with Micro and Small Enterprises through their business cycles by providing them timely and adequate capital at competitive rates.

We offer business loans to a wide spectrum of clients in manufacturing, trade, retail and services sectors. In the last few years, our Company has built a sizable presence in NCR, Gujarat and Maharashtra. The Company endeavours to go deeper in these states with more branches.

SME and Retail Assets by Geography



	%
Delhi NCR	29
Gujarat	27
Haryana	13
Maharashtra	21
Madhya Pradesh	5
Punjab	5

MSME & Retail Branch Network

Delhi NCR	11
Gujarat	10
Haryana	5
Madhya Pradesh	2
Maharashtra	8
Punjab	2
Total	**38**

WE ARE FOCUSING ON TWO BROAD SEGMENTS

First, small enterprises with average ticket sizes in the range of ₹ 50 lacs to ₹ 300 lacs wherein deals are sourced via a distribution network of 10 branches with over 500 empanelled Channel Partners or Direct Selling Agents.

The second segment comprises of 'MSME-Direct' or micro enterprises which are primarily self-employed individuals running provision stores, small retail outlets, small manufacturing units, etc. The ticket sizes ranges anywhere from ₹ 5 lacs to ₹ 50 lacs. For MSME-Direct, the Company has in-house sourcing capability.

BUSINESS STRATEGY

DIVERSIFY CLIENT BASE

Fund the Under-funded

Our urban retail segment was conceived about two years ago with the mission to provide financial inclusion to the large self-employed populace that generally lack financial documentation which precludes them from accessing capital from banking channels. Given the untapped nature of the market, we have set up 30 distribution branches exclusively for urban retail with its own direct sales personnel of over 110 to source business. urban retail loans are high yield, small ticket size loans with lower delinquency rates, thereby reducing client concentration and improving portfolio quality. Our Company has a client base of over 2,712 with an average ticket size of ₹ 43 lacs on the total MSME portfolio.

Focus on Tier 2 and 3 cities in Key States

Our strategy is to go deeper in existing states by building presence in tier 2 and 3 cities to offer its financing services at the doorstep of customers and use technology to achieve quick turnaround time.

Unique Credit Assessment

We have a comprehensive credit appraisal process in place comprising of both traditional and non-traditional approaches. CGCL has devised a unique credit assessment system to overcome the lack of proper financial statements. Its on-ground staff studies the customers' enterprises in detail, conduct thorough background checks and assess their liquid income in keeping with the peculiarities of the business and daily cash flows.

2,712
A client base of over 2,712 with an average ticket size of ₹ 43 lacs on the MSME portfolio.

30
distribution branches set up exclusively for MSME-Direct.

₹ 75,223 lacs
Total amount disbursed during 2016-17

VISION AND STRATEGY

Our vision is to become a preferred partner in delivering comprehensive financial solutions to the Indian real estate players as the industry paves its way to become a well-regulated, consolidated and moderately efficient industry by the year 2020.

Since its inception in FY2011, our construction finance vertical has demonstrated a healthy track record of partnering with selective meritorious clients in their growth journey.

It focuses solely on real estate construction loans for affordable housing projects. We have created a USP for ourself through structured financing and tailor-made facilities based on thorough due diligence of projects and promoters and stringent credit appraisal. We lend at competitive rates to high quality, multi-family real estate projects. Our marketing, credit approval, legal and MIS monitoring team all work in tandem with each other, thereby, assuring of high quality clients with strong track record and fundamentals.

BUSINESS STRATEGY

PRUDENT PROJECT SELECTION

Our project selection process is elaborate due to its twin focus on project quality and promoter experience and skin-in-the-project. All loan proposals pass through multiple layers of screening on various parameters like promoter background, project location, status, approvals, micro-market analysis, project cash flows, etc. Projects that are financed have attractive micro market fundamentals and in receipt of construction related approvals. The Company works with quality tier – 2 promoters that have delivered minimum 5 lac square feet over certain minimum number of projects.

STRINGENT CREDIT APPRAISAL

We have over the years developed an internal rating module which is used by its credit appraisal team for screening of high quality proposals. The Company further secures its interest with 2.5 times project cash flow cover and 2 times physical security cover.

ROBUST PROJECT MONITORING

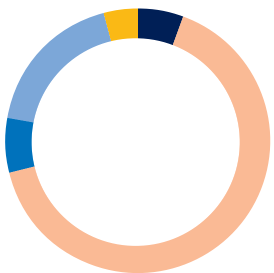
Our organization has instituted a robust project monitoring practice with the objective to maintain high portfolio quality throughout the lifecycle of loan. Monitoring team keeps track of projects to ensure it is in line with projections through corrective actions and mentoring of promoters on financial management. Proactive monitoring has led to cash outflows corroborating with physical progress and cash flow from sales of projects as well as acts like preventive mechanism for delinquencies.

EMPHASIS ON PORTFOLIO QUALITY

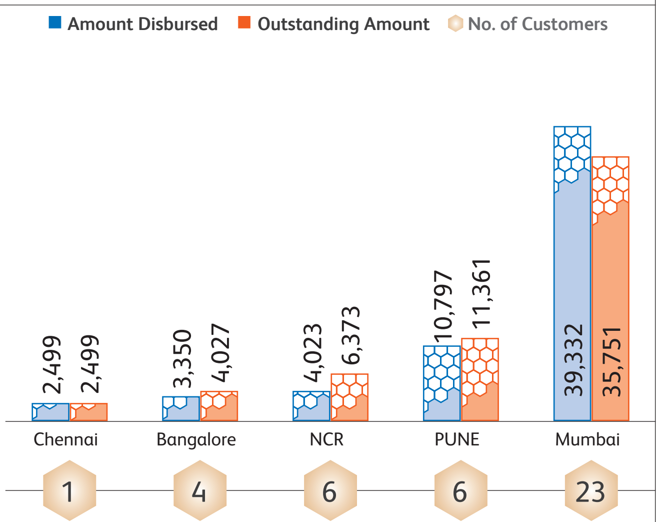
We strictly follow a disciplined approach to risk management whereby, it is the sole lender to select affordable housing projects that (1) have shorter construction time and faster sales velocity and (2) are approved by banks for housing loans. Further, selected projects have ticket sizes ranging from ₹ 10 crores to ₹ 25 crore, which facilitates diversification of risk across several projects.

₹ 60,001 lacs
Total amount disbursed during 2016-17

Disbursements 2016-17 (₹ in lacs)



	%
Bangalore	5.58
Mumbai	65.55
NCR	6.71
Pune	18.00
Chennai	4.16



BOARD OF DIRECTORS

From left to right: Mr. Quintin E. Primo III, Mr. Sunil Kapoor, Ms. Bhagyam Ramani and Mr. Beni Prasad Rauka

Mr. Quintin E. Primo III

Non-executive Chairman

Quintin E. Primo III is the Founder, Chairman and Chief Executive Officer of Capri Investment Group (CIG) LLC, a real estate investment management firm based in the USA. Mr. Primo has spearheaded CIG since its inception in 1992 and has deep expertise in exploring and developing newer market avenues. Under his dynamic leadership, CIG launched one of the first real estate mezzanine investment funds in 1998. In the following decade, he emerged as an early institutional investor in the US multi family residential markets as well as in America's underserved urban markets.

Mr. Primo holds MBA degree from Harvard University and a Bachelor of Science degree in Finance from Indiana University. He is an avid reader and a researcher in the financial markets with several articles and industry white papers. He is also well recognised and appreciated for his professional, civic and philanthropic contributions.

Mr. Sunil Kapoor

Executive Director

Mr. Sunil Kapoor is a qualified Chartered Accountant, Cost Accountant and a Commerce graduate from Shri Ram College of Commerce, Delhi University.

Mr. Kapoor has over 25 years of experience with significant expertise across various business functions including, operations, credit, collections, sales, distribution and risk and finance. He has previously worked with leading global organizations such as AIG, Bharti AXA Life Insurance, General Electric, Citigroup, American Express and Godfrey Phillips.

Ms. Bhagyam Ramani

Independent Director

Ms. Bhagyam Ramani is a Master in Economics from University of Mumbai with specialization in Industrial and Monetary Economics. She was a Director of General Insurance Corporation of India from 2009 till her retirement in 2012.

Ms. Ramani is currently serving as Independent Director on the Boards of prominent companies including Saurashtra Cement Ltd., Gujarat Sidhee Cement Ltd., Lloyds Metals and Energy Ltd., Industrial Investment Trust Ltd., Tata AIG General Insurance Company Limited, IDBI Federal Life Insurance Company Ltd., L&T Hydrocarbon Engineering Ltd. and L&T Special Steels and Heavy Forgings Private Ltd.

Mr. Beni Prasad Rauka

Independent Director

Mr. Beni Prasad Rauka is a qualified Chartered Accountant and Company Secretary. He is Group CFO of SEB Group steering its finance and accounts function for over 17 years. Mr. Rauka is an industry veteran with an extensive understanding of the capital markets and has more than 3 decades of experience of working with merchant bankers, finance and manufacturing companies. He has aided various corporates raise substantive short and long-term funds from debt and equity markets.

Mr. D. R. Dogra

Independent Director

Mr. D. R. Dogra is a Certified Associate of the Indian Institute of Bankers, MBA (Finance) from FMS, University of Delhi and a Master in Agriculture

From left to right: Mr. D. R. Dogra, Mr. Mukesh Kacker, Mr. T. R. Bajalia and Mr. Rajesh Sharma

from Himachal Pradesh University. Mr. Dogra has 4 decades of experience in the financial sector and credit administration. He retired as the Chief Executive Officer and Managing Director at Credit Analysis and Research Limited (CARE) in August 2016. He was also Vice Chairperson and Public Interest Director at Metropolitan Stock Exchange of India Ltd. until September 2016. Prior to CARE, he worked with Dena Bank for over 15 years.

Mr. Dogra serves as Independent Director on the Board of many large companies including S Chand and Company Ltd., Welspun Corp Ltd., Mercator Ltd., Gandhar Oil Refinery (India) Ltd., G R Infraprojects Ltd., Asirvad Micro Finance Ltd., Brickwork Risk & Investment Management Solutions Pvt. Ltd., ITI Mutual Fund Trustee Pvt. Ltd. and Sunteck Realty Ltd.

Mr. Mukesh Kacker

Independent Director

Mr. Mukesh Kacker was an Indian Administrative Service officer with the Government of India for three decades. He holds a Master's Degree in Economics from Harvard University as well as a Bachelor of Science and Master of Political Science from Allahabad University.

As a member of National Highway Authority of India, Mr. Kacker played an instrumental role in planning and executing a major portion of the Golden Quadrilateral. As Joint Secretary (Petrochemicals), he drafted the National Policy on Petrochemicals and conceptualised the policy on Investment Regions. The Government of India inducted him as Member, Task Force on Infrastructure Development and Mega Projects.

Mr. Kacker also serves as Independent Director on the Board of Arshiya Ltd.

Mr. T. R. Bajalia

Independent Director

Mr. T. R. Bajalia is an Economics Graduate, Cost Accountant and Certified Associate of the Indian Institute of Bankers . He has over 4 decades of experience in banking industry across various functions with organisations like Bank of India, IDBI Bank and SIDBI. He was an Executive Director with IDBI Bank and Deputy Managing Director with SIDBI.

Mr. Bajalia is a name to reckon with in the MSME sector in India and has served as a member of the committee constituted by the Reserve Bank of India for restructuring of SMEs. He was also a member of the CDR empowered group and member of committees relating to the MSME sector constituted by Chambers of Commerce including the Maharashtra Chamber of Commerce, FICCI and CII.

He also serves as Independent Director on the Board of India Steel Works Ltd. and Isinox Ltd.

Mr. Rajesh Sharma

Promoter Director

Mr. Rajesh Sharma is a qualified Chartered Accountant. He is the founder of the Company with over 2 decades of experience in capital market and financial advisory services.

Mr. Sharma has expertise in various aspects of corporate finance, investment banking, merchant banking and asset financing. He has successfully leveraged his expertise and experience to steer the Company's growth and played an instrumental role in making it one of the leading financial services players in India.

ECONOMIC REVIEW

Global Economic Review

Real GDP

	Estimates			Projections		
	2014	2015	2016	**2017**	2018	2019
World	2.7	2.7	2.3	**2.7**	2.9	2.9
Advanced Economies	1.9	2.1	1.6	**1.8**	1.8	1.7
Emerging Market and Developing Economies (EMDE)	4.3	3.5	3.4	**4.2**	4.6	4.7
India	7.2	7.6	7.0	**7.6**	7.8	7.8

Source: World Bank

Global economic growth remained soft in 2016, owing to some of the following major factors which included structural adjustments in many countries, efforts to reduce overcapacity, recurring natural disasters, geopolitical events such as Brexit, a coup d'état in Turkey and the ongoing civil war in Syria, among others. Stagnant global trade, subdued investment, and heightened policy uncertainty further added to the woes of the world economy.

The play out of Brexit and the emergence of Donald Trump as the new US President will have a profound impact on the global economic landscape. Although the fiscal stimulus promised by Trump may add to the US economic growth in the short run, fiscal easing is underway in several other advanced economies as well since early 2016. Trump's trade agenda and the current direction of European politics, both have the potential to create a global economic and market turmoil in 2017.

A moderate recovery is expected for 2017 with receding obstacles to activity in commodity export and solid domestic demand in commodity imports. There has been a stronger-than-expected pick up in growth in advanced economies, mostly due to a reduced drag from inventories coupled with recovery in manufacturing output. Among advanced economies, activity rebounded strongly in the United States after a weak first half of 2016, and the economy is approaching full employment. Output remains below potential in many other advanced economies, particularly in the Euro area.

Advanced economies are now projected to grow by 1.8 % in 2017 and 2018. EMDE growth is currently estimated at 3.4 % in 2016, and is projected to reach 4.2 % for 2017. A further pick up in growth to 4.6 % is projected for 2018.

The case for emerging market and developing economies remains more diverse. The growth rate in China was a bit stronger than expected, supported by continued policy stimulus. But activity was weaker than expected in some Latin American countries currently in recession, such as Argentina and Brazil. Russia fared better than expected, in part reflecting firmer oil prices. In the Middle East, growth in Saudi Arabia is expected to be weaker than previously forecast for 2017 as oil production is cut back in line with the recent OPEC agreement, while civil strife continues to take a heavy toll on many countries.

Indian Economic Review

India has positioned itself as the most dynamic emerging economy among the largest countries and is expected to remain the fastest growing on the back of robust private consumption and significant domestic reforms gradually being implemented by the government.

Two major events dominated the India's economic landscape in fiscal 2016, first; passing of the long impending Goods and Services Tax (GST) bill, second and the most unexpected; demonetization of high currency notes.

The GST will create a common Indian market, improve tax compliance and governance, and boost investment and growth; it is also a bold new experiment in the governance of India's cooperative federalism.

Demonetization has had short-term costs but it holds the potential for long-term benefits. Even though demonetization move created adverse short-term policy impact, the real impact must be assessed in the medium/long-term.

India is expected to record a GDP growth in the range of 6.75 to 7.5 % in FY2018. The uptick in the growth numbers would be largely driven by the re-monetization process which is expected by April 2017 end as this in turn would boost the consumption levels in the country. Growth numbers will be largely consumption driven as investment is expected to be a drag.

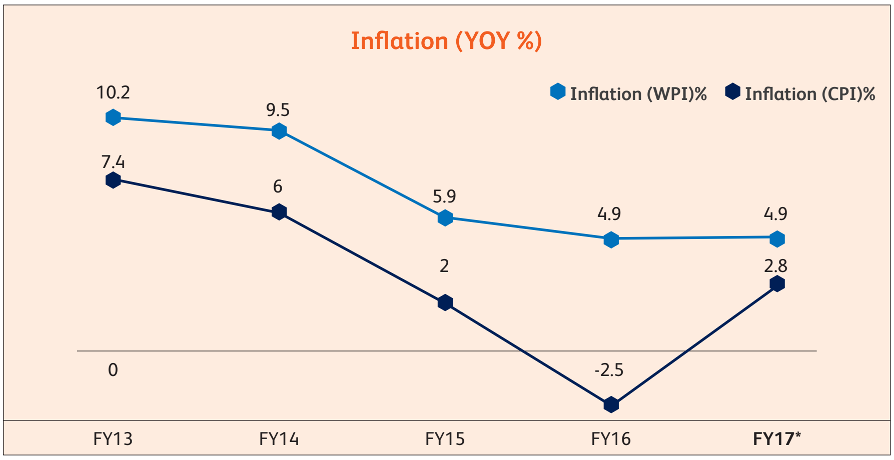
Benign oil and commodity prices have helped improve India's public finances and reduced some of its external vulnerabilities. Some of those tailwinds are turning into headwinds now, threatening the health of the Indian economy. The big spoiler for the Indian economy in 2017 could be oil. A spike in oil prices to $70 a barrel is enough to raise India's fiscal deficit by 0.4 % of GDP and the current account deficit by 0.6 % of GDP over the course of the coming fiscal year.

India's external sector position has been comfortable with the current account deficit (CAD) progressively contracting from 4.8 % of GDP in 2012-13 to 1.1 % of GDP in 2015-16. The CAD further narrowed in 2016-17 (H1) to 0.3 % of GDP.

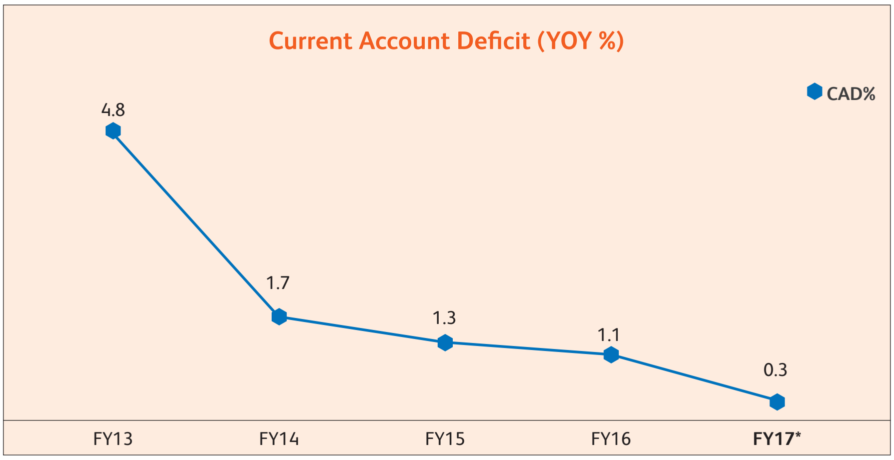
A challenge to broad based recovery in economy is leveraged balance sheet of corporates and the resulting bad loans at banks. The stressed loan assets are estimated to be about ₹ 9.6 trillion largely concentrated among 50 large loan defaulters. The recent ordinance on resolving the stressed loan of the banking sector will have a direct impact on effective resolution of stressed assets, particularly in consortium or multiple banking arrangements. This package prepared by the Government will empower the Reserve Bank of India (RBI) to direct any bank to initiate insolvency proceedings against defaulters and set up an Oversight Committee to advise banks on resolving stressed assets, effectively intervening to settle bad loans. RBI will chart a timeline of around 6-9 months for banks to deal with their big bad-loan accounts. In short, this ordinance is a huge push to accelerate the long impending process of recovery of these large ticket size non-performing assets and bring them to a definite conclusion.

India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The banking regulator has allowed new entities such as payments banks to be created recently thereby adding to the types of entities operating in the sector. The Government of India has introduced several reforms to liberalize, regulate and enhance this industry. The Government and Reserve Bank of India (RBI) have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). These measures include launching Credit Guarantee Fund Scheme for Micro and Small Enterprises, issuing guideline to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA). With a combined push by both government and private sector, India is undoubtedly one of the world's most vibrant capital markets.

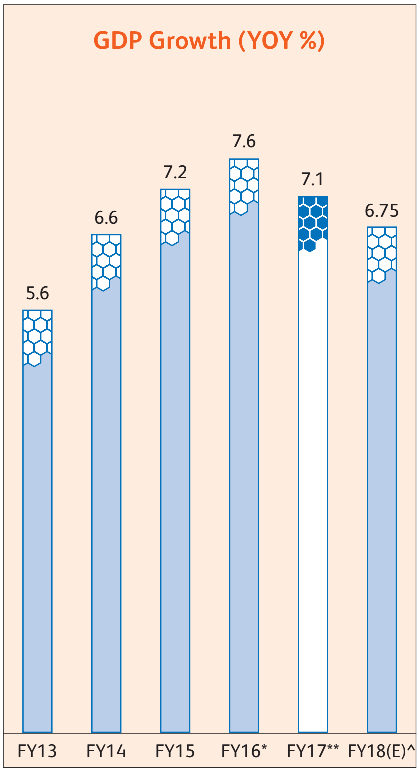
Snapshot for Macro-Economic Indicators



*Source: Economic Survey 2016-17, *upto Dec'16*



*Source: Economic Survey 2016-17, *up to Dec'16*

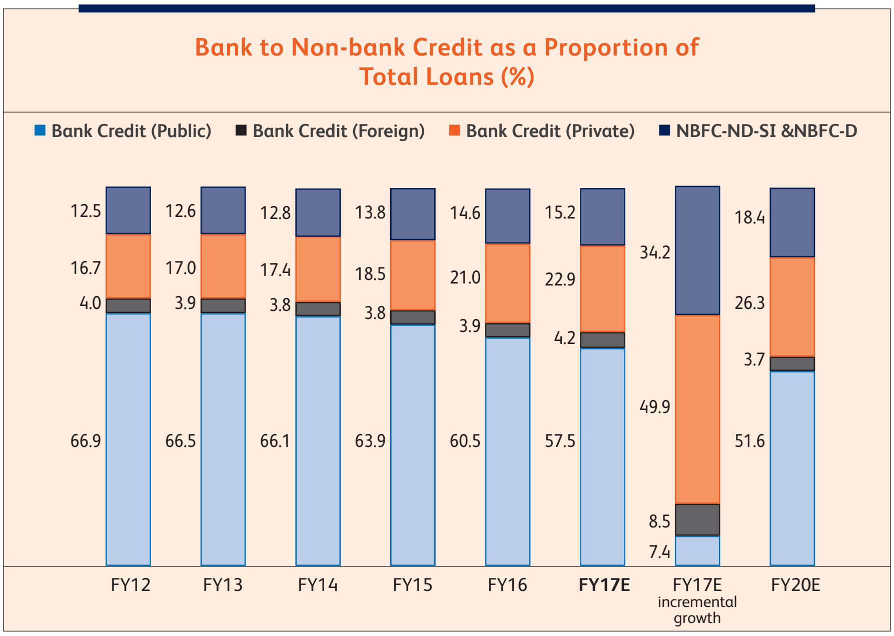


* Provisional ** First Advanced Estimates
^Expected Range
Source: World Bank

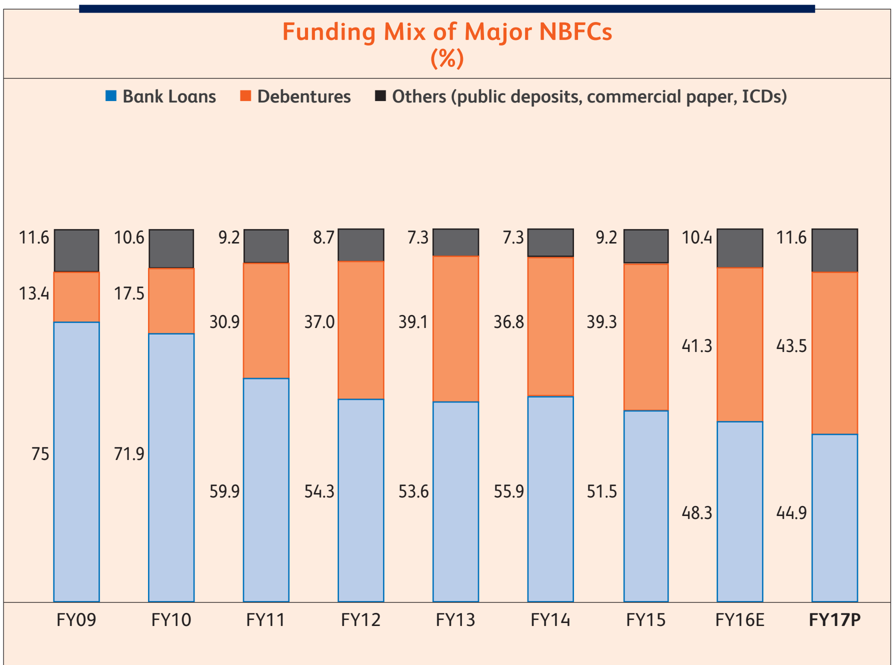
NBFC INDUSTRY REVIEW

NBFC sector has gained systemic importance in the last few years as exemplified by its increasing share in total system credit. NBFCs now account for an estimated 15.2 % of the total loans and account for about a third of the total system's incremental credit. NBFCs are now the biggest receiver of funds in the system. The growth in NBFCs is not only due to the strong financial performance reported by most players, but also due to the rise in the number of niche players over the years.

December 2016 marked a charismatic growth for the Non-Banking Financial Companies (NBFC) industry. According to the Reserve Bank of India's (RBI) Financial Stability Report, NBFC loans expanded 16.6 % in the year, nearly twice as fast as the pedestrian credit growth of 8.8 % across the banking sector. The aggregate balance sheet of the NBFC sector expanded 15.5 % in FY2016 in comparison to 15.7 % in FY2015.



Source: RBI, Ind-Ra's analysis



Source: RBI, Ind-Ra's analysis

Regulatory Scenario

Over the last several years, the Reserve Bank of India has revised the regulatory framework for NBFCs which broadly focuses on strengthening the structural profile of the NBFC sector. The regulatory focus is more on safeguarding depositors' money and regulating NBFCs which have increased their asset-size over time and gained systemic importance.

During the year, 2 key steps were taken towards strengthening systematically important NBFCs to bring them on par with the global standards:

1. NBFCs were included in SARFAESI framework which will help in recovery of loans.
2. The Union Budget 2016-17 has offered 5 % (earlier nil) deduction in respect of provision for bad and doubtful debts.

What will Lead to Growth in NBFC Sector

- **Indian economy has a mammoth latent credit demand** propelled by a significant chunk of self-employed population, which is still not a part of the formal banking system mostly due to lack of proper income proof.
- **Digital trends in consumer and MSME** to offer new disruptive opportunities for innovation and partnerships. Indian consumers are increasingly adopting digital as a way of daily life. With the launch of the Digital India programme, NBFCs will have to find ways to serve the millennial customers through digital means.
- **Deepening of wholesale debt markets** to provide easier access to source of funds. Augmentation of capital and leveraging for growth. Asset securitisation also opens up a huge potential to liberate funds to fuel asset growth.

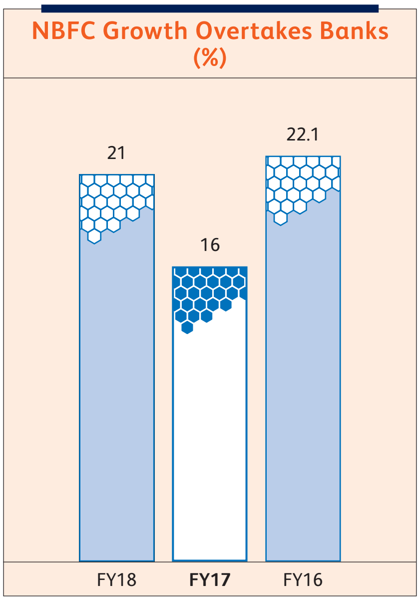
Why NBFCs

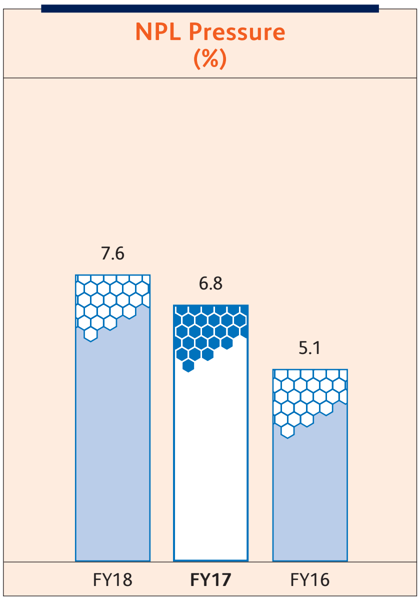
NBFCs operate at higher yields primarily because they cater to underserved markets. Their operating cost as well as bad debt expenditure is lower as compared to banks due to:

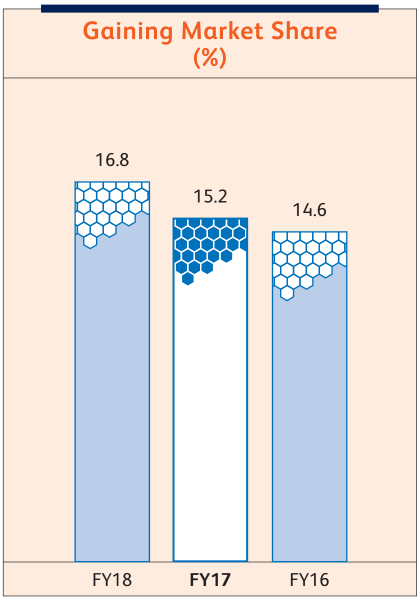
- Better risk appreciation and management
- Lower cost due to lean and focused business models
- Better service through faster speed of response and customised approach

Outlook

According to India Ratings & Research, NBFCs would continue to expand in certain asset classes and in small ticket loans, where banks are clearly less efficient including microfinance loans, small ticket housing and small ticket loan against property. Also, diversified NBFCs would continue to gain the credit market shares being vacated by banks, especially mid-sized public sector banks, owing to either capital constraints, flight to safety or limited ability to price in the risk. India Ratings expects NBFCs to grow 16 % in FY2017 and 21 % in FY2018, which on the system-wide basis would be close to one third of the total system's incremental credit.







Source: Ind-Ra

MARKET OPPORTUNITY

Micro, Small and Medium Enterprise (MSME) sector

Introduction

Indian Micro, Small and Medium Enterprises sector has emerged as a highly vibrant and dynamic sector which plays a crucial role in providing large employment opportunities at comparatively lower capital cost. The sector consists of 36 million units creating an employment base of over 80 million persons and contributes about 8% to GDP, 45% to the total manufacturing output and 40% to exports. Although 95% of MSME units are informal in nature, its contribution to India's GDP has been growing consistently at 11% per annum, higher than the overall GDP growth of 7-8%.

The MSME sector can be a major catalyst to boost industrial growth across the country and be a preferred major partner in the process of inclusive growth. While poor infrastructure and inadequate market linkages are among key factors that have constrained the growth of the sector, the biggest challenge is lack of adequate and timely access to finance.

Financial Challenges Faced by the MSME Sector

- **Ticket size of loan and high transaction cost** – The MSME sector suffers from challenges of small ticket size of loan, low revenue per client, and incur high transaction cost due to which the traditional banking institutions refrain from financing these small ventures.
- **Higher risk perception** – Banks consider MSMEs as a high risk sector owing to low or nil credit rating, higher rate of diversion of the funds, low turnover, and lack of adequate collateral, among others.

Finance Demand in the MSME Sector

As per International Finance Corporation (2014), there is a total finance requirement of ₹ 32.5 trillion in the MSME sector in India including ₹ 26 trillion of debt demand. Of this, the share of formal finance to the sector is ₹ 7 trillion (now ₹ 11 trillion as per the RBI) and covers only 10-11 million enterprises. An estimated 67% of enterprises remain unserved by the formal financial sector. The sector is largely financed by informal sources, which can be made viable for formal financial sector through appropriate policy interventions and support to the MSME sector. The current government has taken numerous initiatives to achieve it of which the key ones are:

- **Establishment of MUDRA bank, under the Pradhan Mantri Mudra Yojana**: To disburse loans of smaller amounts as per the needs of MSMEs. MUDRA bank disbursed loans to the tune of ₹1,53,000 crores in 2016-17.
- **Financial institutions as custodians:** Specialised loan services by NBFCs and private banks for SMEs has allowed SME players to secure working capital loans at comparative lower interest rates as against the private lending concept.
- **Extension of credit guarantee fund:** The government has augmented the corpus of Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE) by an additional ₹ 5,000 crores to a total of ₹ 7,500 crore. The fund augmentation will lead to an increase in the loan limit under the scheme from ₹ 1 crore to ₹ 2 crore. The move will also increase the coverage of the credit guarantee scheme for loans being extended to MSMEs by NBFC.
- **New institutions – Small finance banks:** The Reserve Bank of India has granted to 10 entities in-principle licences to open so-called small finance banks to expand access to financial services in rural and semi-urban areas. Small finance banks will offer basic banking services, accepting deposits and lending to un-served and underserved sections including farmers, micro and small industries and entities in the unorganised sector. This will play a huge role in bridging credit demand-supply gap.

Outlook

Opportunity aplenty for NBFCs. MSME loans are expected to register a CAGR of 17% resulting in MSME loans-to-GDP increasing to 10% by 2025-26 from a current level of 7% (Source: Credit Suisse).

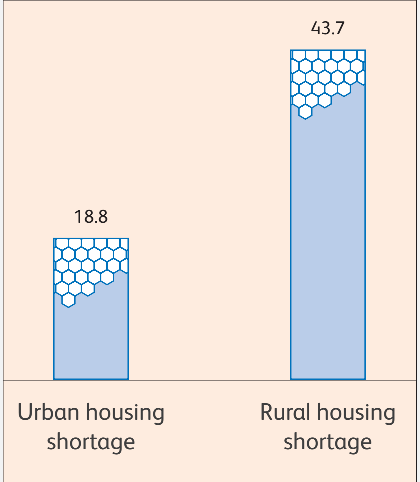
Micro and small enterprises together account for 97% of the viable debt gap and can be addressed by financial institutions in the near term. High cost of acquiring customers and lack of alternative tools for assessment have limited bank funding to Micro enterprises. Small enterprises, on the other hand, generally have insufficient short-term financing due to lack of understanding of working capital cycles of specific industries and service enterprises. NBFCs with their intrinsic ability to evaluate and understand customers' unique needs and tap in to specific customer segments through branch networks and customised products are in a better position to meet the non-corporate needs to the economy. NBFC's strict and vigilant credit appraisal systems have facilitated in sustaining healthy GNPAs (gross NPAs) levels for retail and small and medium enterprises (SMEs) at around 1-2%.

"Lower operating costs by refining collection mechanisms, tight control over overheads and effective and proactive risk management will be the key strategies for the growth of NBFCs in India MSME's sector"

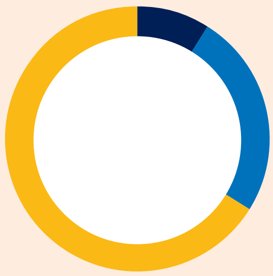
Affordable Housing

Market Size and Opportunity

Housing Shortage (in million)



Lack of Formal Finance (%)



	%
Institutional finance	9
Informal sources	25
Own sources	66

Source: Working group on rural housing for 12th five year plan (2012-17), Ministry of Rural Development, Government of India, NHB

Housing sector is said to be a growth escalator and the one that contributes directly to the quality of life, especially urban housing. As per the census, the demand for housing rises in direct proportion to the increase in urban population, and the supply is dependent on many factors including the decisions of individual households.

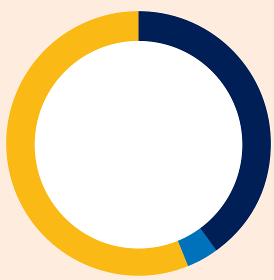
As per estimates released by 'Cushman & Wakefield' and GRI from 2016 to 2020, the total demand for urban housing across the top eight cities — Ahmedabad, Bengaluru, Chennai, Delhi-NCR, Hyderabad, Kolkata, Mumbai, and Pune — is estimated to be 4.2 million units. One million housing units that are under construction and planned by private developers are expected to be delivered during this period.

Affordable housing would be a key growth driver for the real estate sector. The affordable housing demand is expected to surge at a CAGR of around 10 % during 2015-2022. This growth will be largely derived from wide population base, rising income level, increasing trend of nuclear families and rapid urbanization.

A thrust on encouraging private sector participation and availability of formal finance in affordable housing could provide the answer to India's urban housing predicament.

The gap in urban housing is skewed more towards the economically weaker section of the society. Traditionally, low cost housing has been the domain of the government. Private real estate developers avoided low-cost housing projects due to high land costs, archaic building bye laws, stringent licensing norms, delay in project approval and unfavorable banking policies. Further, sluggish demand was seen across this segment as the current financing mechanism which is tilted towards servicing the Middle Income Group (MIG) and above income segments created difficulties for the Lower Income Group (LIG) and Economically Weaker Section (EWS) category to secure formal housing finance.

Urban housing shortage is concentrated in economically weak and low income groups



	%
Low Income Group	40
Middle and High Income Group	4
Economically Weaker Section (EWS)	56

Source: Report of the Technical Group on Urban Housing Shortage (2012-17), Ministry of Housing and Urban Poverty Allevuation, Government of India

Housing Finance Companies – Well Prepared to Grab the Opportunity

Affordable or low volume housing loans are expected to be a big trigger for credit growth amid the government's push to provide every family a home by 2022. As per the estimates in a report by "TransUNION CIBIL, on affordable housing segment, the loans under the umbrella of affordable housing (ticket size less than 10 lacs), have grown at a healthy 23 % compound annual growth rate (CAGR) in the last five years. As per the report, housing finance companies sanctioned loans of around ₹ 30,400 crores to around 7.5 lac borrowers in the last calendar year.

The report further sights a healthy growth in credit penetration in the affordable housing segment primarily due to 2 main factors.

i. Low delinquency rates on affordable housing loans over the last 5 years. Delinquency rate is firmly in control at levels of around 1.0 %.

ii. Decrease in average ticket size of the loans, with the focus in lending towards the bottom of the pyramid. The average ticket size has decreased from ₹ 4.8 lacs in 2009-10 to ₹ 4.1 lacs currently.

There has been an increase in the number of new entrants in the housing finance market, including HFCs promoted by existing NBFCs and new companies started by entrepreneurs and supported by private equity players.

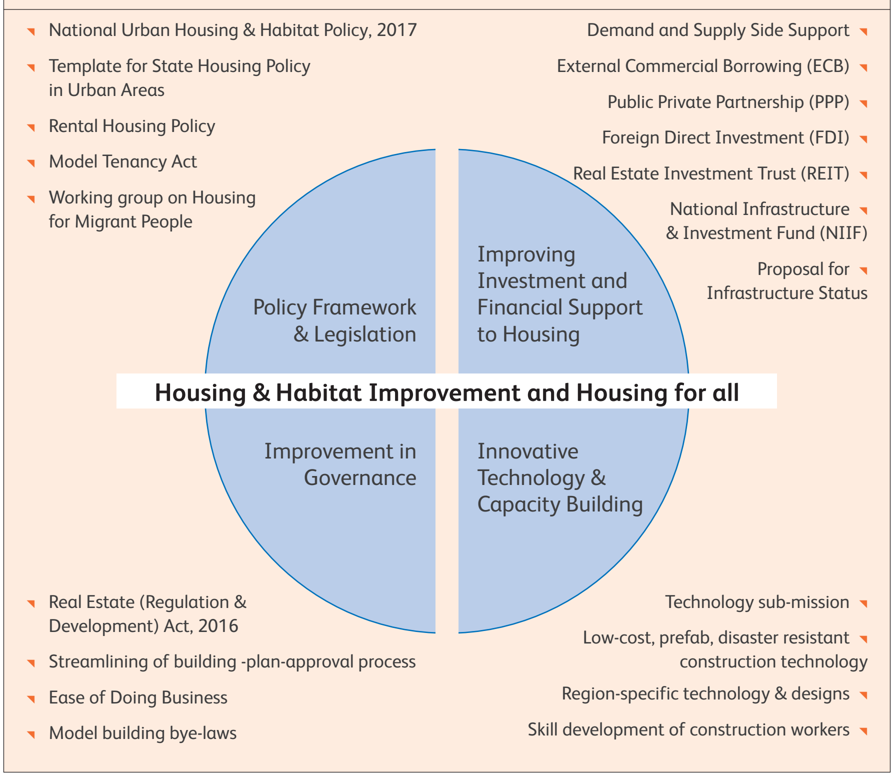
Government Initiatives

"Housing for All" is a priority of the Government of India. The apex Ministry of Housing and Urban Poverty Alleviation (MoHUPA) has unveiled a series of policy and programmatic interventions along with budgetary stimulus which, have ushered a new era of reforms in the states and the private sector alike. Government's ambitious target of bridging the gap of more than 2 crore dwellings by 2022, will call for the entire value chain of stakeholders to perform their part in a coordinated manner in this economically and socially important agenda.

The government has taken several steps that are expected to boost sales of affordable and low-cost housing units and consequently, financing for the same:

- Accorded Infrastructure status to Affordable Housing to encourage investments and tax benefits for developers.
- Relaxed condition of period of completion of the project by amending Section 80 1BA of the Income Tax Act, 1961, from current 3 years to 5 years.
- The Real Estate (Regulation and Development) Act, 2016 (RERA) came into force in May 2017 to protect interests of consumers and investors. According to RERA, each state and union territory will have its own regulator and set of rules to govern the functioning of the regulator. RERA seeks to address issues like delays, price, quality of construction, title and other changes.
- Lowering of risk weights (further from 50 %) for housing loans to be applicable in CAR calculation will facilitate lower capital requirements of financiers and lead to lower interest rates on these loans.
- 41 new HFCs received SARFAESI (Securitisation & Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002) license as well as the revision in interest rate and the on-lending cap under the Rural Housing Fund (RHF) and Urban Housing Fund (UHF), which are likely to support growth in the low ticket affordable housing segment going forward.

Efforts Being Made to Catalyze the Housing Sector in India



Source : India Habitat Report: MHOUPA

- Credit linked subsidy scheme (CLSS) launched in June 2015 will expand institutional credit flow to the housing needs of urban poor. Interest subsidy will be credited upfront to the loan account of beneficiaries through Primary Lending Institutions resulting in reduced effective housing loan and Equated Monthly Installment (EMI).

Outlook

The year 2017 will see the Indian real estate sector becoming even more transparent, credible and attractive with only organised players on the ground. Policy reforms like RERA, Benami Transaction Prohibition, REITS, GST and demonetization have potential to change the way the real estate sector works. The reforms are set to bring transparency and build a robust ecosystem. There will be a definite advantage to responsible developers. With home ownership always being a priority ambition for all Indians, these reforms will have very positive implications for the home buyers as well as the overall residential real estate sector.

According to the findings of **Asia Pacific Real Estate Market Outlook 2017** by CBRE South Asia Pvt. Ltd., India's leading real estate consulting firm, the residential market outlook has been quite encouraging with an expectancy of steady growth, stability and revival in the market.

Some of the key findings of the report were:

- India residential supply has increased by 70% q-o-q in Q1 2017. Compared to only 18,000 units launched in Q4 2016, there have been more than 30,000 units launched in Q1 17. Highest growth was seen in Chennai, Hyderabad, Kolkata and Bengaluru.
- India housing sales have also increased by 70% q-o-q in Q1 2017. Compared to only 14,000 units sold in Q4 2016, more than 23,000 units were sold in Q1 17. Highest increase was again seen in Chennai, Hyderabad, Bengaluru and Pune.
- Housing sales are expected to revive in H1 2017 both in primary and secondary markets.
- Affordable housing, which is witnessing increased interest from private developers, will emerge as a key driver of housing sales.

Housing sales are expected to revive in H1 2017 both in primary and secondary markets.

70%

India residential supply has increased by 70% q-o-q in Q1 2017.

CRISIL estimates home loan disbursements to grow at a 5 year CAGR of ~21.00% to reach ₹ 8.30 trillion by FY2020 primarily backed by affordable housing demand.

BUSINESS REVIEW

MSME Segment – Annual Review

Key Portfolio Indicators

Indicator	FY2016	FY2017	Change
Booksize (₹ lacs)	75,704.70	1,21,379.55	↑60.33%
Disbursal (₹ lacs)	47,643	75,223	↑57.89%
ATS (₹ lacs)	54	43	
Direct Sourcing (%)	28.40	35.40	↑24.65%
GNPA (%)	0.88	0.98	

In line with its strategy, the Company added 15 branches during the year to take the total to 38 wherein new branches have been added in tier 2/3 cities like Karnal, Gandhidham, Indore, Jamnagar, Mehsana, Nagpur, Nasik, Panvel, Panipat and Vadodara. MSME book size increased to ₹ 1,21,379.55 lacs, an increase of 60.33 % from a year ago while disbursals increased by 57.89 % to ₹ 75,223 lacs in FY2017. Direct sourcing accounted for 35.4 % of total business generated during the year.

Portfolio quality further improved during the year with an increase in number of customers and decline in average ticket size. Average ticket size has declined from ₹ 54 lacs in FY2016 to ₹43 lacs in FY2017. Gross NPA has remained range-bound at 0.98 % in FY2017as compared to 0.88 % in FY2016, a testament of the Company's robust credit assessment.

Growth Expectations

Operational focus on newly opened branches will drive loan book growth in FY2018. The Company will continue expanding its branch network at a rapid pace over the next few years to develop infrastructure and resources for tapping the huge opportunity in the MSME segment. Accordingly, share of direct sourcing is expected to increase and client concentration to steadily reduce in the foreseeable future.

Construction Finance – Annual Review

Key Portfolio Indicators

Booksize (₹ lacs)

35,353.78
FY2016

60,280.09
FY2017

↑70.5%

Disbursals (₹ lacs)

21,631
FY2016

60,001
FY2017

↑177.4%

GNPA (%)

Nil

ATS (₹ lacs)

4,353
FY2016

2,779
FY2017

In FY2017, the Company has reported substantial improvement in its construction finance book size while minimizing risk through diversification of client base.

The Company disbursed loans of ₹ 60,001 lacs in FY2017 as compared ₹ 21,631 lacs a year ago. Construction finance book size stood at ₹ 60,280 lacs at the end of FY2017, an increase of 70.5 % from a year ago.

In line with its granular strategy, the average ticket size has reduced from ₹ 4,353 lacs in FY2016 to ₹ 2,779 lacs in FY2017. This has been achieved by increasing the number of projects to 29 from 9 a year ago with average tenure of 45 months.

Growth Expectations

The Company has been focusing on increasing its book size in MSME lending over the last four years and consequently the share of construction finance in the overall book size has been on a consistent downtrend. The turmoil in real estate sector in FY2016 led the Company to reduce exposure to construction finance. During FY2017, it increased its construction finance book by lending to quality affordable housing projects.

Going forward, the Company expects to consolidate and maintain a steady growth rate in the range of 15 % to 20 % over the foreseeable future. Currently operating in NCR, Mumbai and Pune, it is looking forward to expanding in Southern markets, namely Bengaluru and Chennai.

HOUSING FINANCE CHARTING NEW TERRITORIES

With a view to expand its product offerings, CGCL has ventured into housing finance business in December 2016 through its Housing Finance (HFC) subsidiary. The HFC will primarily serve the middle and lower middle class in tier 2 and tier 3 cities, which are the biggest hub of affordable housing segment with significant untapped potential.

The Company’s vision is to become a preferred financier in the affordable housing segment. It will rely on its existing and expanding branch network to rapidly grow in the segment. From its humble beginning this year, HFC has set a target to grow it multi-fold in the foreseeable future.

FINANCIAL REVIEW

(₹ in lacs)

	2016-17	2015-16
Total Income	**23,167.53**	18,655.19
Profit Before Depreciation and Taxes (PBDT)	**9,938.90**	5,544.14
Profit After Tax	**5,778.49**	4,120.49
Loans And Advances	**1,81,659.64**	1,11,058.48
Interest Income	**20,293.82**	15,908.96
Net Worth	**1,14,381.00**	1,08,602.50

In FY2017, total income was ₹ 23,167.53 lacs as compared to ₹18,655.19 lacs during the previous year, an increase of 24.19 %. The increase was mainly on account of higher interest income resulting from a higher loan book which increased by 63.57 % from ₹1,11,058.48 lacs to ₹ 1,81,659.64 lacs.

Profit After Tax (PAT) was ₹ 5,778.49 lacs as compared to ₹ 4,120.49 lacs of the previous year, an increased by 40.24 % due to better control over the NPAs and negligible write-offs, even as employee expense, administrative expense and finance cost increased during the year.

During the year, bad debt write-offs were nil as compared to ₹ 6,593.77 lacs last year reflecting better real estate environment, increased focus on MSME segment and stringent credit appraisal and portfolio monitoring. Employee expense increased due to increase in headcount from 380 to 581 during the year. Finance cost jumped up to ₹ 3,796.34 lacs from ₹ 1,177.73 lacs due to higher borrowings through term loans, issue of Secured Redeemable Non-Convertible Debentures (NCDs) and Commercial Paper during the year.

The total amount of bank loan outstanding was ₹ 60,285.80 lacs as on March 31, 2017 as against ₹ 14,116.44 lacs a year ago. During the year, the Company raised funds for its working capital and business requirements from various banks and it had sanctioned facilities of ₹ 85,500 lacs as compared to ₹ 48,500 lacs a year ago. The Company also raised ₹7,500 lacs through issue of three Tranches of NCDs on private placement basis and ₹ 5,000 lacs through issue of Commercial Papers.

Capital Adequacy Ratio (CAR), as of March 31, 2017, stood at 52.97 % of the aggregate risk weighted assets on balance sheet and risk adjusted value of the off-balance sheet items, which is well above the regulatory minimum of 15 %.

RISK MANAGEMENT

Risk is inherently embedded in the business of any financial market player. Infact risk and profitability go hand in hand, where controls towards anticipated risks become the main driver of growth. Any lending institution is exposed to various kinds of external and internal risks at every stage of its business wherein a proactive risk management strategy becomes the backbone of the institution. NBFCs, which have now become an integral part of the banking system and CGCL being a prominent NBFC gives utmost priority to risk management function. The Company has a dedicated risk management team of more than 200 members comprising of independent credit underwriting, technical valuation, legal due diligence, operations, fraud control, business analytics and internal audit teams which work under a hub and spoke model.

At CGCL, risk management is not just limited to identification and mitigation of standard risks. Risk management runs parallel to every other function in the whole chain of lending process, right from screening of proposal to document verification, client background check, and post disbursement documentation audit. CGCL has in place adequate systems of internal control which are designed to achieve highest degree of transparency in its operations and effective compliance with applicable laws and regulations.

The Risk Management Committee reviews are regularly undertaken to examine and address issues such as systemic risks to the organization/ portfolio/balance sheet arising from credit quality, liquidity and interest rate movements. The Company believes that its efforts to continuously strengthen risk framework and portfolio quality, has helped it build a stable and healthy portfolio. The Company has identified the following key risks across the enterprise and stringent checks and balances at every stage have been put in place to mitigate the risks at an early stage.

Credit Risk

The most common risk faced by any lending institution is the inability on the part of the borrower to repay the loan (interest and principal). Credit risks result in delinquency resulting into higher bad debts, deterioration of capital adequacy and loss of goodwill impacting the credit rating of the Company.

Mitigation Strategy – CGCL has designed a robust and dynamic credit appraisal system to minimize the probability of default. Its credit appraisal system follows three stringent levels of checks before approving any proposal.

- **Identification and selection** of genuine borrower by the resource team followed by a rigorous scrutiny by the Company's in-house fraud control unit whereby the authenticity of all the relevant documents submitted by the borrower are cross checked and verified. Additionally, the Company also does reference check of the borrower's overall goodwill and integrity in the market. This exercise helps it flush out habitual defaulters.
- **Assessment of the business** – The Company assesses the soundness and long-term viability of any business and the cash flows through a deep financial analysis of the promoter and its competitors. Reference check with the supplier and its customers is undertaken.
- **Collateral quality** – All loans are fully secured by way of mortgages and the Company has first and exclusive charge on collateral property. CGCL does only collateral backed secured lending and hence have developed in-house competencies by way of an in-house legal and technical team who independently scrutinizes every facet of collateral risks at pre-disbursal stage.

A rigorous follow-up exercise is adopted by CGCL post disbursal for timely recovery of instalments of principal and interests, which help reduce the probability of impairment of loan assets. Early warning indicators from Audit and Collection teams is put in place to identify any deterioration in portfolio quality and take proactive steps to stabilise or flush such accounts that are showing stress.

Interest – Rate Risk

Volatility in interest rates can have a negative impact on the borrowing costs of the Company, leading to decline in interest income and net interest margins. This can cause a mismatch on the Company's asset –liability position, leading to lower profitability and lower returns.

Mitigation Strategy – Interest rate movements are tracked and reviewed by ALCO on quarterly basis and accordingly, base LTRR is fixed. Most of the Company's borrowings and portfolio are on floating interest rates. This ensures that the Company is adequately hedged against any future interest rate movement. Interest rates are primarily market driven and CGCL's interest risk strategy is well adept to the changing market dynamics.

Liquidity Risk

Liquidity risks emanate from the gaps in the financing activity. A skewed asset-liability profile can potentially initiate a liquidity shortfall and result in significantly higher costs of funds, especially so during times of crisis. Also, concentration of a single source of funds depicts the Company's inability to raise funds in a planned and timely manner whereby it is often forced to resort to high cost emergency sources of funds.

Mitigation Strategy – Liquidity at CGCL is managed by its treasury team. There is a daily monitoring of funds availability and deployment. The Company has tapped several sources of external funding, including lines of credit from several banks and has raised resources through issue of NCDs/Commercial Paper during the year under review. Moreover, its CAR continues to be high at 52.97 % and will likely remain significantly higher than regulatory norms over the next few years, which puts CGCL in a strong position to mobilise funds for its business growth without any challenges in the future.

Portfolio Concentration Risk

This category of risk is associated with the concentration of credit in a segment of borrowers or products. Skewed exposure in one sector may result in losses if the sector does not do well. It affects the quality of the asset-book and assessment by financing institutions.

Mitigation Strategy – Company's key strategy is to build a de-risked portfolio with exposure to multiple sectors, wider geographies and varied customer profile. The Company's focus is on increasing retail lending to the well diversified MSME sector while limiting exposure to construction finance. The MSME portfolio is well diversified across various business segments i.e. trade, industry, manufacturing, services and professionals, among others. The Company has adopted strict exposure norms to restrict credit concentration. Its extensive and dynamic MIS and internal controls help in continuous monitoring of credit and portfolio risk.

Operational Risk

Operational risk is the risk of possible losses, arising due to lack of proper flow and inadequate controls over the internal processes, people and systems and operations of the Company. Operational lapses could lead to adverse impact on the sustainability of the business in the long-term and loss of profitability. Operational risks can occur due to lapses in compliance with established norms, regulatory as well as internal guidelines.

Mitigation Strategy – CGCL has in place technology based operational control methods and systems. The Company's internal control infrastructure is well aligned with its underwriting and collection process which is managed by a highly competent team that is imparted necessary training as well.

Strategic and Business Risk

It is the risk to earnings and capital arising from volatile macro-economic conditions, sudden changes in the business environment or adverse business decisions. Lack of timely response to such unforeseen conditions can lead to major ups and downs in the business. Entry of new competitors leading to loss of market share, higher costs of funding resulting in contraction of spreads available, slow-down in customer segments are some of the potential business risks faced by the Company.

Mitigation Strategy – The Company's research, business and risk teams keep a track of key economic trends, sector developments and market competition which allows the Company to take well informed and in-time strategic decisions. Company's customised and tailor-made lending solutions are designed keeping in mind the needs of individuals for a faster market penetration. Business issues which are of strategic importance are referred to the Board, consisting of members with rich experience in their respective fields for intense brainstorming sessions, to evaluate and design the relevant strategies, which help the company in tackling the business uncertainties and avoiding business disruptions.

Regulatory and Compliance Risk

NBFC industry comes under the purview of various regulations by RBI, which are upgraded and modified time to time. Non-compliance of these leads to stringent actions and penalties from the regulator or statutory authorities and which also poses a risk to the Company's credibility and goodwill.

Mitigation Strategy – Company has a separate compliance department headed by a senior management executive. The person in charge keeps a track of all updates on the regulatory guidelines and ensures their timely and fair implementation in the organization. The Company diligently complies with Capital Adequacy, Fair Practice Codes, RBI Reporting, Asset Classification and Provisioning Norms, among others to ensure zero tolerance to non-compliance. It has a full-time Company Secretary to oversee all the compliance issues and ensure strict adherence to corporate and securities market laws and regulations.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

CGCL has put in place adequate internal control systems to ensure efficiency in business operations, safeguarding of company's assets, protect against the chances of frauds and errors, strict compliance with applicable laws and regulations and the reliability of financials reporting.

The policies and processes and systems controls are clearly defined for all critical areas on principles of segregation of duties in a manner that proper maker-checker is built-in. Also, Risk and Controls Matrix defined in respect of all major processes and controls checks are done at periodical intervals for checking efficacy of implementation. Internal Audits are conducted at regular intervals to provide assurance to management that the transactions are carried out as per set policies and processes and that system controls are duly implemented and are working as defined. The Audit Committee of the Company oversees the internal audit function, risk management systems and internal controls systems over financial reporting to ensure that business is conducted effectively.

Also, the Company uses insurance as risk transfer tool. During the year, Insurance cover was taken to transfer risks of fire and theft of assets of the Company, as also towards Directors' and Officers' liabilities.

HUMAN RESOURCE

CGCL firmly believes that human resource forms the backbone of an organization and good HR practices are absolutely imperative to an employee-oriented, productive workplace in which employees are energised and engaged.

Human capital is the pivot around which the success of the any organization revolves. The Company is focused on creating a competitive but cordial working environment for the development of a talented and loyal workforce. The underlying principal of its human resource strategy is induction of right talent at right time, provide opportunities to employees to grow and utilize their complete potential. For each of the Company's business verticals, the quality of human capital is different and therefore, hiring and training programs are customised as per the requirement of that vertical.

With constant expansion of branch network throughout the year, the Company's headcount increased to 581 from that of 380 in the previous year. The Company also inducted senior and experienced people in various leadership and strategic positions in Credit and Risk, Business, Information Technology, Operations, etc. CGCL has a young and dynamic workforce with an average age of 33 years. It invested around 4000 man-hours in training and development during FY2017.

FY2018 is a crucial year for CGCL and will set the stage for its ambitious growth plan for the future. With the Company expanding its footprints, hiring programme for the housing finance vertical will take off. As the Company is also focusing on a direct sourcing model, hiring will see a rise in tier 2 and tier 3 cities to augment its plan to diversify into MSME business.

The Company's HR policy is weaved around the following pillars for an effective human resource management strategy.

- **Prudent and merit based recruitment policy:** CGCL has well-defined employee recruitment process, where prospective employees go through various levels of assessments, group discussions and personal interviews.
- **Training and talent management:** The Company has developed multiple talent, training and development programs with an aim to nurture right talent and create an empowered work force. Training programs are designed and conducted with focus on building domain expertise and imparting holistic development with the help of experts. This year the Company envisions increasing its focus on training in tandem with technological advancements.
- **Performance driven environment:** Recognition and appreciation at work place with due rewards are the biggest boost to motivate the employees to work harder and better. This also promotes loyalty and a sense of belongingness among the employees towards the Company. Our performance appraisal systems have been designed to recognize and reward exceptional performers.

CGCL has a young and dynamic workforce with an average age of 33 years.

CGCL invested around 4000 man-hours in training and development during FY2017.

Dear Members,

Your Directors have pleasure in presenting the Twenty Third Annual Report together with the audited financial statements for the financial year ended March 31, 2017.

FINANCIAL RESULTS

The summary of the Company's financial performance, both on a standalone and consolidated basis, for the Financial Year ("FY") 2016-17 as compared to the previous FY2015-16 is given below:

(₹ in lacs)

Particulars	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Total Revenue	**23,167.53**	18,655.19	**23,508.72**	19,059.15
Less: Operating Expenses & Provisions	**9,432.29**	11,933.33	**9,726.05**	11,969.92
Profit before Interest, Depreciation & Taxes (PBIDT)	**13,735.24**	6,721.86	**13,782.67**	7,089.23
Less: Depreciation	**419.38**	332.16	**430.26**	347.64
Less: Interest & Finance Charges	**3,796.34**	1,177.73	**3,798.70**	1,177.73
Profit Before Tax	**9,519.52**	5,211.98	**9,553.70**	5,563.86
Less: Provisions for taxation	**3,741.03**	1,091.49	**3,741.49**	1,198.89
Profit After Tax (PAT)	**5,778.49**	4,120.49	**5,812.22**	4,364.97
Add: Balance brought forward from previous year	**41,559.21**	39,231.08	**42,875.71**	40,353.10
Balance available for appropriations	**47,337.70**	43,351.57	**48,687.93**	44,718.07
APPROPRIATIONS				
General Reserve	**450.00**	310.00	**450.00**	310.00
Statutory Reserve	**1,160.00**	850.00	**1,180.00**	900.00
Dividend on Equity Shares	-	525.40	-	525.40
Tax on Dividend	-	106.96	-	106.96
Balance Carried to Balance Sheet	**45,727.70**	41,559.21	**45,057.94**	42,875.71

RESULTS OF OPERATIONS AND STATE OF AFFAIRS

During the year under review, the total revenue of the Company was ₹23,167.53 lacs as compared to ₹18,655.19 lacs during the previous year an increase of 24.19%, while the PAT was ₹5,778.49 lacs as compared to ₹4,120.49 lacs of the previous year, an increase by 40.24%, due to better control over the NPAs and negligible write-offs during the year.

During the year under review, your Company has grown both the business verticals with greater emphasis on the MSME business. The loan book grew from ₹1,11,058.48 lacs of the previous year to ₹1,81,659.64 lacs, an increase by 63.57%. Accordingly the loan portfolio of MSME business has grown by 60.33% to ₹1,21,379.55 lacs (previous year ₹75,704.70 lacs) and the construction finance business loan portfolio has grown by 70.50% to ₹60,280.09 lacs (previous year ₹35,353.78 lacs).

The gross revenue on consolidated basis has grown by 23.81% to ₹23,508.72 lacs from ₹19,059.15 lacs of previous year, and the consolidated PAT increased by 33.16% to ₹5,812.23 lacs from ₹4,364.97 lacs of previous year.

DIVIDEND

The Directors of your Company are pleased to recommend a dividend of ₹0.30 per Equity Share (₹2/- paid up per share) for the financial year ended on March 31, 2017. The dividend on Equity Shares, if approved by the shareholders at the 23rd Annual General Meeting, would amount to ₹632.36 lacs (inclusive of dividend distribution tax amount of ₹106.96 lacs) and will be paid to those members whose names appear on the Register of Members of the Company as on July 7, 2017. As per Companies (Accounting Standards) Amendment Rules, 2016, dividend and tax thereon will be recognised as liability on approval of shareholders at the ensuing Annual General Meeting (AGM).

TRANSFER TO RESERVES

The Company proposes to transfer ₹450 lacs (previous year ₹310 lacs) to General Reserve and ₹1,160 lacs (previous year ₹850 lacs) to Statutory Reserve created pursuant to section 45–IC of the Reserve Bank of India Act, 1934.

ASSET GROWTH

Total Assets of the Company stood at ₹1, 94,464.77 lacs as compared to ₹1, 30,388.41 lacs during the last year, showing an increase of 49.14%.

CAPITAL ADEQUACY RATIO

Your Company's Capital Adequacy Ratio (CAR), as of March 31, 2017, stood at 52.97% of the aggregate risk weighted assets on balance sheet and risk adjusted value of the off-balance sheet items, which is well above the regulatory minimum of 15%, providing much needed headroom for fund raising for business operations of the Company.

STANDARD ASSET'S PROVISIONING

Pursuant to the Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 issued by the Reserve Bank of India (RBI) for making a general provision at 0.35 % on the outstanding Standard Assets, your Company has made provision at 0.50% exceeding the statutory requirements.

Further, the Company has decided to create additional Floating Provision @ 1.50% of Standard Assets over and above the statutory requirement, which is available for adjustment against specific Provision on Sub-standard Assets and NPAs.

BANK FINANCE

During the year under review, the Company raised funds for its working capital and business requirements from various banks and had sanctioned facilities of ₹85,500 lacs as compared to ₹48,500 lacs during the last year.

The total amount of bank loan outstanding as on March 31, 2017 was ₹60,285.80 lacs as against ₹14,116.44 lacs on March 31, 2016.

FUND RAISING THROUGH ISSUE OF NCDS AND CP

During the year under review, the Company raised ₹7,500 lacs through issue of three (3) tranches of Secured Redeemable No-Convertible Debentures (NCDs) on Private Placement basis. The NCDs are listed on the BSE Limited. The Company also raised ₹5,000 lacs through issue of Commercial Paper (CP).

CREDIT RATING

During the year, Credit Analysis and Research Ltd. ("CARE") has accorded a rating of 'CARE A+' [Single-A Plus] for the issue of Non-convertible Debentures and 'CARE A1+ [A One plus] for the issue of Commercial Paper. Further, CARE has also accorded a rating of 'CARE A+' [Single A Plus] with respect to the Bank facilities availed by the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis report for the year under review as required under regulation 34(2)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), is provided as a separate section forming part of the Annual Report.

SUBSIDIARY COMPANIES

As on March 31, 2017, the Company has the following subsidiaries:

1. Capri Global Housing Finance Limited;
2. Capri Global Resources Private Limited;
3. Capri Global Asset Reconstruction Private Limited*

**Incorporated on February 22, 2017 as a wholly owned subsidiary of the Company.*

PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARY COMPANIES

During the year under review Capri Global Housing Finance Limited ('HFC') started the business of financing affordable housing and made a humble beginning by disbursing loan amounting to ₹696.98 lacs. The HFC has earned a Profit After Tax of ₹85.34 lacs as compared to ₹244.58 lacs of the previous year. Decrease in profit is attributable to increase in operational expenses of the HFC necessitated by the launch of the housing finance business.

Capri Global Resources Private Limited (CGRPL) has incurred a loss of ₹51.59 lacs during the year as compared to the losses of ₹0.11 lacs in the previous year. CGRPL has invested its capital in developing the business plans and for registration of the 'Capri India Real Estate Investment Fund' with Securities & Exchange Board of India (SEBI).

Capri Global Assets Reconstruction Private Limited was incorporated on February 22, 2017 and is yet to commence business operations.

As required under rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statement of the subsidiaries is appended as Annexure – I to the Consolidated Financial statement.

All the subsidiaries are wholly owned by the Company. The Company does not have any overseas subsidiary.

INVESTMENT IN SUBSIDIARIES

During the year under review, the Company has infused capital in its following subsidiaries by subscribing to their equity shares:

Name of subsidiary company	Amount of capital subscribed (₹in lacs)
Capri Global Resources Private Limited	50.00
Capri Global Asset Reconstruction Private Limited	1.00

MATERIAL SUBSIDIARIES

There are no material subsidiaries of the Company as at March 31, 2017. However, the Board of Directors of the Company has framed a Policy for determining Material Subsidiaries and the same is available at http://www.cgcl.co.in/images/Downloads/Policy_on_Material_Subsidiaries_1.pdf

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company, to the best of their knowledge and belief, confirms that:

a) in the preparation of the annual accounts, the applicable accounting standards have 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 as at March 31, 2017 and of the profit 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 the 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 operating effectively;

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

INTERNAL FINANCE CONTROLS

The Company has put in place adequate internal controls with reference to financial statements, commensurate with the size, scale and complexity of operations. The design and effectiveness of key controls were tested and no material weaknesses were observed.

REPORTS ON CORPORATE GOVERNANCE

The Report on Corporate Governance for the year under review is forming part of the Annual Report. The certificate from the Secretarial Auditor of the Company confirming compliance with the conditions of Corporate Governance is annexed to the Report on Corporate Governance.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Board of Directors has approved the Related Party Transactions ("RPT") Policy, which is also available on the Company's website at http://www.cgcl.co.in/images/Downloads/Policy_on_Related_Party_Transactions_1.pdf. The Policy intends to ensure that proper reporting, approval and disclosure processes are followed for all transactions between the Company and Related Parties.

All RPT that were entered into during the FY2016-17 were on an arm's length basis and were in the ordinary course of business. There were no materially significant RPT made by the Company with Promoters, Directors, KMP or Body Corporate(s), which had a potential conflict with the interest of the Company at large. Accordingly, the disclosure of RPT as required under the provisions of section 134(3)(h) of the Companies Act, 2013 ('Act') in Form AOC-2 is not applicable. The Directors draw attention of the Members to Note No. 26 to the Financial Statements which sets out details of related party transactions.

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the requirements of the provisions of section 135 of the Act, the Company has constituted a Corporate Social Responsibility ('CSR') Committee. The composition and terms of reference of the CSR Committee is provided in the Report on Corporate Governance.

The Company has also formulated a CSR Policy which is available on the website of the Company at http://www.cgcl.co.in/images/Downloads/CSR_Policy_Website.pdf.

As part of its CSR initiatives, the Company has undertaken multiple programmes covering areas of education, livelihood development, healthcare and sanitation during the year. The projects undertaken during the year are in accordance with Schedule VII of the Act and the CSR Policy of the Company. The Annual Report on CSR activities is annexed herewith marked as **Annexure I** to this report.

RISK MANAGEMENT FRAMEWORK

The Board of Directors of Company has constituted Risk Management Committee in addition to the Assets Liability

Management Committee (ALCO) which is entrusted with the responsibility to assist the Board in identification and mitigation of risks associated with the business of the Company. The details of the functioning of the Risk Management Committee and ALCO are provided in Report on Corporate Governance forming part of this Annual Report. The Company follows a proactive risk management policy, aimed at protecting its assets and employees while at the same time ensuring growth and continuity of its business. Regular updates on the development in the business environment and the risk mitigation initiatives are provided to Board at its meetings.

A detailed discussion on the identified risks and mitigation strategies is contained in the Management Discussion and Analysis forming part of the Annual Report.

DIRECTORS

During the year under review, Mr. Bhagwati Prasad resigned as Independent Director on the Board of the Company with effect from August 1, 2016, due to his appointment as the Chairman of the Gujarat State Human Rights Commission.

The Board, places on record its appreciation for the services rendered by Mr. Bhagwati Prasad during his tenure as an Independent Director of the Company.

Mr. Desh Raj Dogra was appointed as an Additional Director – Independent of the Company with effect from May 10, 2017. Pursuant to the sub-section (1) of section 161 of the Act, he holds the office of Additional Director upto the ensuing Annual General Meeting. The Company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of Director. The Board recommends approval of his appointment as an Independent Director of the Company.

In accordance with section 152 of the Act and the Articles of Association of the Company Mr. Rajesh Sharma, Director will retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment.

As at March 31, 2017, the Company had four Independent Directors including one Woman Director.

The Company has familiarised the Independent Directors with the Company, their roles, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, etc. The details of the familiarization programme are available on the website of the Company at http://www.cgcl.co.in/images/Downloads/Familiarisation_Programme_for_Independent_Directors.pdf.

All Independent Directors have given declarations that they meet the criteria of independence as provided under section 149 (6) of the Act and regulation 16(1)(b) of the Listing Regulations. Further, all the Directors meet the Fit and Proper criteria as per the policy of the Company and as stipulated by RBI pursuant to the revised regulatory framework notified during the year. The terms and conditions of appointment of Independent Director is also available on the website of the Company at https://www.cgcl.co.in/docs/Letter_of_Appointment_for_Independent_Directors.pdf.

The Directors of the Company have affirmed compliance with the Code of Conduct of the Company.

Additional information and brief profile, as stipulated under regulation 36(3) of the Listing Regulations and clause 1.2.5 of the Secretarial Standard on General Meetings ("SS-2") with respect to the director seeking re-appointment, is annexed to the Notice of the AGM. Further, the business items relating to the re-appointment of Director(s) have been included in the Notice of the AGM.

KEY MANAGERIAL PERSONNEL

As at March 31, 2017, the Company had the following KMPs:

1) Mr. Sunil Kapoor – Executive Director

2) Mr. Harish Agrawal – Company Secretary

NOMINATION AND REMUNERATION POLICY

The Board of Directors of the Company has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection of Directors, determining Directors independence and payment of remuneration to Directors, Key Managerial Personnel and other employees.

The Nomination and Remuneration Policy is stated in the Report on Corporate Governance.

EMPLOYEE STOCK OPTION SCHEME

The Members are informed that 4,00,000 Stock Options granted to Mr. Sunil Kapoor, Executive Director of the Company in the year 2015 have lapsed due to non-fulfillment of the conditions of vesting during the year.

During the year under review, the Nomination and Remuneration Committee at its meeting held on December 12, 2016 had decided to grant 250,000 stock options to one of the senior management employee, which would get vested over a period of five years starting from completion of third year of his service at ₹62 per share.

The applicable disclosure as stipulated under the SEBI guidelines as on March 31, 2017 with regard to Employees Stock Options scheme are put up on the website of the Company at link: https://www.cgcl.co.in/docs/ESOS_Details_2016_17.pdf.

The Company has received a certificate from the Auditors of the Company that the Scheme has been implemented in accordance with the SEBI guidelines and the resolution passed by the members. The certificate would be placed at the Annual General Meeting for inspection by members.

AUDITORS AND AUDITORS' REPORT

Statutory Auditor

Pursuant to the provisions of section 139 of the Act and the rules framed there under, the Members at their Twenty First Annual General Meeting (AGM) held on July 18, 2015 had appointed M/s. Karnavat & Co, Chartered Accountants as Statutory Auditors of the Company from the conclusion of Twenty First AGM till the conclusion of the Twenty Sixth AGM, subject to ratification of their appointment at every AGM.

M/s. Karnavat & Co., Chartered Accountants, Mumbai has expressed their intention not to be re-appointed as Statutory Auditors of the Company with effect from the conclusion of Twenty Third Annual General Meeting, due to pre-occupation.

Considering the intentions of existing Statutory Auditors, the Board of Directors at its meeting held on May 13, 2017, has recommended appointment of M/s. Deloitte Haskins and Sells LLP, Chartered Accountants, as the Statutory Auditors of the Company to hold office from the conclusion of the Twenty Third AGM till the conclusion of Twenty Eigth AGM.

The Notes on financial statements referred to in the Auditors Report are self –explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Secretarial Auditor

Pursuant to the provisions of section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. PRS Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith marked as **Annexure II** to this Report.

The following qualification was observed by the Secretarial Auditor in their Report to which the Board has shared the following explanations:

Qualification: The Company has not appointed Chief Financial Officer ('CFO') as required under section 203(1) of the Act.

Explanation: The Company has been making sincere efforts to appoint Chief Financial Officer ('CFO') as per defined KRA. The Company has adequate resources and qualified personnel with more than 21 years of experience looking after accounts, finance, taxation and treasury operations of the Company.

DISCLOSURES

Board Meetings

Five meetings of the Board were held during the year, the details of which are disclosed in the Report on Corporate Governance forming part of the Annual Report of the Company.

Audit Committee

The Company has constituted an Audit Committee comprising of Independent Directors. The composition, terms of reference and details of meeting held during the year are disclosed in the Report on Corporate Governance. Five meetings of the Audit Committee were held during the year.

Stakeholders Relationship Committee

The Committee met four times during the year. The composition, terms of reference and details of meeting held during the year are disclosed in the Report on Corporate Governance

Nomination and Remuneration Committee

The Nomination and Remuneration Committee recommends to the Board the suitability of candidates for appointment as Director/Managing Director and Key Managerial Personnel and the remuneration packages payable to them. The Nomination and Remuneration Committee met four times during the year. The composition, terms of reference and details of meeting held during the year are disclosed in the Report on Corporate Governance.

Vigil Mechanism/Whistle Blower Policy

The Company has formulated and established a Vigil Mechanism named Whistle Blower Policy to deal with instances of fraud and mismanagement, and to enable Directors and Employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct. The details of the same are explained in the Report on Corporate Governance. The Whistle Blower Policy may be accessed on the Company's website at http://www.cgcl.co.in/images/Downloads/Whistle_Blower_Policy_Website_1.pdf.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Company being a non-banking finance company , the particulars regarding conservation of energy and technology absorption as required to be disclosed pursuant to the rule 8(3) of the Companies (Accounts) Rules, 2014 are not relevant to its activities.

There were no foreign exchange earnings during the year (previous year ₹Nil); the foreign exchange outgo by the Company during the year was ₹46.85 lacs (previous year ₹26.27 lacs) towards Directors' sitting fees and travelling expenses.

Extract of Annual Return as prescribed under Section 92(3) of the Act and Rules Made thereunder

The extract of Annual Return in MGT-9 as required under section 92(3) of the Act and prescribed in rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as **Annexure-III** to this Report.

Particulars of Loans Given, Investments Made, Guarantees Given or Security Provided by the Company

Company being a non-banking finance company, provisions of section 186 of the Act relating to loans, investments and guarantees given or securities provided are not applicable to the Company.

Particulars of Employees

The information required pursuant to the provisions of section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company has been appended as **Annexure IV** of this Report. In terms of first proviso to section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars as required pursuant to provisions of rule 5(2) and rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said information is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing AGM. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

The Board of Directors affirm that the remuneration paid to employees of the Company is as per the Remuneration Policy of the Company and none of the employees listed in the said Annexure/information is related to any Director of the Company.

Significant and Material Orders Passed by the Regulators or Courts

There are no significant and material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations. Further, no penalties have been levied by the RBI/any other Regulators during the year under review.

Reserve Bank of India Directions

The Company is categorised as a non deposit taking systemically important non-banking finance company (NBFC-NDSI). Accordingly during the year the Company has not accepted any deposits from the public and there were no deposits which become due for repayment or renewal. The Company has complied with the 'Master Direction-Non-Banking Financial Company-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016', amended from time to time.

Registered as Corporate Agents

During the year under review, the Company got itself registered with the Insurance Regulatory and Development Authority of India as a Corporate Agents (Composite) vide Certificate of Registration no. CA0438 dated November 7, 2016 for a period of three years.

Sub-division of Share Capital

During the year under review, the Company had sub-divided the face value of its equity shares from ₹10/- to ₹2/- per share with an objective to improve liquidity and increase in the shareholders base. The sub-divided shares were credited in the demat accounts of the shareholders on November 25, 2016. Post sub-division, the shareholders base of the Company has increased from 3,105 (September 2016) to 4189 as at March 31, 2017.

Dematerialisation of Equity Shares

Equity Shares of the Company are compulsorily tradable in electronic form. As on March 31, 2017, 99.95% of the Equity Shares are held in electronic form and only 91410 Equity Shares out of 17, 51, 34,805 Equity Shares were held in physical form. In view of the numerous advantages offered by the Depository System, the Members holding shares in physical form are advised to avail of the facility of dematerialisation.

Material Changes and Commitments

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

Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace

The Company has in place a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Work Place. Appropriate reporting mechanisms are in place for ensuring protection against Sexual Harassment and the right to work with dignity. During the year under review, the Company has not received any complaints in this regard.

ACKNOWLEDGMENTS

The Directors express their sincere gratitude to the Reserve Bank of India, Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, Ministry of Finance, Ministry of Corporate Affairs, Registrar of Companies, Insurance Regulatory and Development Authority of India, other government and regulatory authorities, lenders, financial institutions and the Company's bankers for the ongoing support extended by them.

The Directors also place on record their sincere appreciation for the continued support extended by all the stakeholders and trust reposed by them in your Company. The Directors sincerely appreciate the commitment displayed by the employees of the Company and its subsidiaries across all levels, resulting in successful performance during the year.

Place : Mumbai

Date : May 13, 2017

For and on behalf of the Board

Quintin E. Primo-III
Non-executive Chairman
DIN: 06600839

ANNEXURE – I

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

   The Company's CSR policy is based on the firm belief that there can be nothing better than enriching the human capital of the society which can provide a sustainable socioeconomic impact. Towards that end the Company's CSR initiative has been directed to provide to the most economically and socially marginalised people, particularly women and the differently–abled, an easy access to better education and vocational training. For more information please refer CSR policy: http://www.cgcl.co.in/images/Downloads/CSR_Policy_Website.pdf

   In accordance with the broad CSR philosophy your Company adopted projects as specified under schedule VII of the Companies Act, 2013
   a. Education*
   b. Livelihood development

2. The Composition of the CSR Committee:
   1. Ms. Bhagyam Ramani – Chairperson
   2. Mr. Sunil Kapoor – Member
   3. Mr. Beni Prasad Rauka – Member
   4. Mr. Rajesh Sharma – Member

3. Average net profit of the Company for last three financial years: ₹10,352.86 lacs

4. Prescribed CSR Expenditure: ₹207.06 lacs

5. Details of CSR spend for the financial year:

   a) Total amount spent for the financial year: ₹207.06 lacs

   b) Amount unspent : NIL

   c) Manner in which the amount spent during the financial year is detailed below:

(₹in lacs)

Sr. No.	CSR projects/Activities identified	Sector in which the project is covered	Projects or programs (1). Local area or other (2).Specify the State and district projects or programs was undertaken	Amount Outlay (Budget)	Amount Spent on the project or program Sub-heads (1) Direct expenditure on project or programs (2) Overheads	Cumulative Expenditure up to reporting period	Amount spent: Direct or through implementing agency
1.	Contribution to Capri Foundation towards CSR activities as per the focus areas and program areas listed in CSR Policy of CGCL	Areas specified under Schedule VII of the Companies Act, 2013	NA	153.15	Direct – NIL Overheads – NIL	153.15 (Contribution to the Corpus of Capri Foundation since 16-17)	Direct – NIL Through Implementing Agency Capri Foundation – NIL
2.	Education Project Sponsorship support for primary, secondary and higher education, provision of sanitation facilities, need assessment for school project. Supported 174 candidates	Education	Mumbai, Rajasthan, Delhi, Pune, Gujarat, Maharashtra	31.00	Direct –31.01 Overheads – NIL	31.01	Direct – 4.83 Through Implementing Agency Capri Foundation – 2618 (Partners– IAPA, Acharya College and individual beneficiaries)

3.	Livelihood Development Project Sponsorship program for skill development. Supported 74 Candidates	Livelihood	Mumbai and Rajasthan	12.56	Direct – 12.54 Overheads – NIL	12.54	Direct: NIL Through: Implementing Agency Capri Foundation – 12.54 (Partner, Don-Bosco ITI, Asmita)
4.	Administration cost	Allowed under Rule 4, sub-rule 6 of CSR Rules 2014	NA	10.35	Direct – NIL Overheads – 10.36	10.36	Direct: 10.36 Through Agency: NIL
	Total			**207.06**	**207.06**	**207.06**	

** The policy was revised in October, 2016 in order to broaden the scope of the interventions. Capri Shiksha Yogdan and Capri Vidya Abhiyan programmes were merged into Education Programme.*

5. In case the Company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board's report: **Not Applicable**

6. **The CSR Committee confirms that the Policy on CSR is implemented and the Committee has monitored compliances with the CSR objective and Policy of the Company.**

Sd/-
Mr. Sunil Kapoor
Executive Director
DIN: 01436404

Sd/-
Ms. Bhagyam Ramani
Chairperson of the CSR Committee
DIN: 00107097

ANNEXURE – II

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

{Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To,
The Members,
Capri Global Capital Limited
1-B, Court Chambers,
35, Sir, Vithaldas Thackersey Marg,
New Marine Lines
Mumbai – 400020

We have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good corporate practices by the Capri Global Capital Ltd (herein after called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2017 complied with the statutory provision 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 hereunder :-

1. We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of :
   I. The Companies Act, 2013 (the Act) and the Rules made there under;
   II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
   III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
   IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under, to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
   V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
      a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
      b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
      c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
      d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
      e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
      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.
   VI. The Non Banking Financial Companies Directions, Guidelines and Circulars issued by the Reserve Bank of India. We have also examined on test check basis the relevant documents and record maintained by the Company and the Returns filed by the Company with the Reserve Bank of India ("RBI"). The Company is generally regular in filing the Returns with the RBI.

2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company under the financial year under report:
   a. The Securities and Exchange Board of India (issue of Capital and Disclosure Requirements) Regulation, 2009;
   b. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
   c. The Securities and Exchange Board of India (Delisting of Equity Shares), Regulations, 2009.

3. We have also examined compliance of the following to the extent applicable:
   a. Secretarial Standards issued by the Institute of Company Secretaries of India.
   b. The Listing Agreements entered into by the Company with the BSE Ltd ('BSE') and National Stock Exchange of India Ltd ('NSE').

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, guidelines mentioned above except the following;
The Company has not appointed Chief Financial officer ('CFO') as required under section 203(1) of the Companies Act, 2013.

We further report that:

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

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

Majority decision of the Board of Directors is carried through and are captured and recorded as part of the minutes. There were no dissenting views.

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

We further report that during the audit period the Company has following specific actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc referred to above made :

1. The Company has obtained approval from members of the Company through postal ballot on 12th November, 2016 to issue Secured Redeemable Non Convertible Debentures ('NCD's) aggregating upto an amount not exceeding ₹500 crores on private placement basis.

2. Ordinary resolution was passed, in terms of section 61 of the Companies Act, 2013 for sub-division of 1 Equity Share having face value of ₹10/- each to 5 equity shares having face value of ₹2/- each. Consequently alteration of Capital clause V in the Memorandum of Association of the Company was approved by the Equity Shareholders of the Company through Postal ballot.

Note: – This report is to be read with our letter of even date which is annexed as ANNEXURE A and forms as integral part of this Report.

Place: Mumbai

Date: May 12, 2017

For **PRS Associates**
Company Secretaries

Sanjay Shringarpure
Partner
FCS No: 2857
COP No: 6107

ANNEXURE A —TO SECRETARIAL AUDIT REPORT

The Members,
Capri Global Capital Limited
1-B, Court Chambers,
35, Sir, Vithaldas Thackersey Marg,
New Marine Lines
Mumbai – 400020

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations and standards applicable to Capri Global Capital Limited (the Company) is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required .
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the process and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Whenever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Mumbai

Date: May 12, 2017

For **PRS Associates**
Company Secretaries

Sanjay Shringarpure
Partner
FCS No: 2857
COP No: 6107

ANNEXURE-III

MGT-9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED MARCH 31, 2017

[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

i.	CIN	L65921MH1994PLC173469
ii.	Registration Date	15th November, 1994
iii.	Name of the Company	Capri Global Capital Limited
iv.	Category/Sub-Category of the Company	Public Company
v.	Address of the Registered office and contact details	1-B, Court Chambers, 35 Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai-400020 Tel: 91 22 43548200; Fax: 91 22 2201 9051
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083. Tel. No. 022-49186000 Fax: 022-49186060 Email: 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:-

Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
Financial Services except Insurance and pension funding activities	64920	100.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company *	CIN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	Capri Global Housing Finance Limited	U65990MH2006PLC161153	Subsidiary	100.00	2 (87)
2.	Capri Global Resources Private Limited	U67190MH2010PTC200848	Subsidiary	100.00	2 (87)
3.	Capri Global Asset Reconstruction Private Limited	U65999MH2017PTC291555	Subsidiary	100.00	2 (87)

**Address of all subsidiaries: 1-B, Court Chambers, 35 Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai-400020*

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Shareholding

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	9180167	0	9180167	26.21	45900835	0	45900835	26.21	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	16711491	0	16711491	47.71	83557455	0	83557455	47.71	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-Total (A)(1):	**25891658**	**0**	**25891658**	**73.92**	**129458290**	**0**	**129458290**	**73.92**	**0**
(2) Foreign									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-Total (A)(2):	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	**25891658**	**0**	**25891658**	**73.92**	**129458290**	**0**	**129458290**	**73.92**	**0**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	
b) Banks/FI	15000	0	15000	0.04	0	0	0	0	(0.04)
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	3266047	0	3266047	9.32	15900868	0	15900868	9.08	(0.24)
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1):	**3281047**	**0**	**3281047**	**9.37**	**15900868**	**0**	**15900868**	**9.08**	**(0.29)**
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	4615233	200	4615433	13.18	21440812	1000	21441812	12.24	(0.93)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹1 lac	693062	20482	713544	2.04	4601083	90410	4691493	2.68	0.64

ii) Individual Shareholders holding nominal share capital in excess of ₹1 lac	372310	0	372310	1.06	2221509	0	2221509	1.27	0.21
c) Others (specify)									
i) Hindu Undivided Family	118560	0	118560	0.34	935106	0	935106	0.53	0.19
ii) Non Resident Indians (Non Repat)	3908	0	3908	0.01	31460	0	31460	0.02	0.01
iii) Non Resident Indians (Repat)	10268	0	10268	0.03	74755	0	74755	0.04	0.01
iv) Clearing Members/ Clearing House	20233	0	20233	0.06	379512	0	379512	0.22	0.16
Sub-Total (B)(2):	**5833574**	**20682**	**5854256**	**16.71**	**29684237**	**91410**	**29775647**	**17.00**	**0.29**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**9114621**	**20682**	**9135303**	**26.08**	**45585105**	**91410**	**45676515**	**26.08**	**Nil**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**35006279**	**20682**	**35026961**	**100.00**	**175043395**	**91410**	**175134805**	**100.00**	**Nil**

ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			No. of Shares held at the end of the year			%Change during the year
		No of Shares	% of Total Shares	% of shares pledged/ encumbered to total shares	No of Shares	% of Total Shares	% of shares pledged/ encumbered to total shares	
1.	Capri Global Holdings Private Limited	13208079	37.71	Nil	66040395	37.71	Nil	Nil
2.	Capri Global Advisory Services Private Limited	3503412	10.00	Nil	17517060	10.00	Nil	
3.	Ramesh Chandra Sharma	8752986	24.99	Nil	43764930	24.99	Nil	Nil
4.	Ramesh Chandra Sharma – HUF	427081	1.22	Nil	2135405	1.22	Nil	Nil
5.	Rajesh Sharma	100	0.00	Nil	500	0.00	Nil	Nil
	TOTAL	**25891658**	**73.92**	**Nil**	**129458290**	**73.92**	**Nil**	**Nil**

Note: The face value of the shares was sub-divided from ₹10/- to ₹2/- per share w.e.f. November 25, 2016.

iii) Change in Promoters' Shareholding

There was no change in promoters' shareholding during the year except for proportionate increase in number of shares due to sub-division of the face value of the shares of the company.

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr No.	For Each of the Top 10 Shareholders (Name of the Shareholder)	Shareholding at the beginning of the year		Date wise Increase/(Decrease) in Shareholding during the year specifying the reason for increase/ decrease			Shareholding at the end of the year	
		No of Shares	% of total shares of the Company	Date	No of Shares	Reason	No of Shares	% of total shares of the Company
1.	Bay Pond MB	1563418	4.47	03 June, 2016	(3644)	Market Sale	7794728	4.45
				25 Nov., 2016	7798870	Sub-division		
				27 Jan., 2017	(3402)	Market Sale		
				03 Feb., 2017	(740)	Market Sale		
2.	Gainful Multitrade Private Limited	1451006	4.14	25 Nov., 2016	7255030	Sub-division	7255030	4.14
3.	Roopam Multitrade Private Limited	1738582	4.96	24 June, 2016	(72141)	Market Sale	6121331	3.50
				30 June, 2016	(16023)	Market Sale		
				01 July, 2016	(220)	Market Sale		
				08 July, 2016	(16115)	Market Sale		
				15 July, 2016	(20730)	Market Sale		
				22 July, 2016	(57332)	Market Sale		
				29 July, 2016	(95047)	Market Sale		
				25 Nov., 2016	7304870	Sub-division		
				10 Feb., 2017	(523715)	Market Sale		
				17 Feb., 2017	(408174)	Market Sale		
				24 Feb., 2017	(49250)	Market Sale		
				10 Mar., 2017	(19400)	Market Sale		
				31 Mar., 2017	(183000)	Market Sale		
4.	Bay Pond BMD MB	803238	2.29	03 June, 2016	(7564)	Market Sale	3611838	2.06
				24 June, 2016	(72331)	Market Sale		
				25 Nov., 2016	3616715	Sub-division		
				27 Jan., 2017	(4877)	Market Sale		
5.	Badrikedar Commercials Private Limited	698929	1.99	25 Nov., 2016	3494645	Sub-division	3494645	1.99
6.	Morgan Stanley Mauritius Company Limited	899391	2.57	25 Nov., 2016	4496955	Sub-division	2751747	1.57
				02 Dec., 2016	(1020)	Market Sale		
				30 Dec., 2016	(15)	Market Sale		
				06 Jan., 2017	(339)	Market Sale		
				27 Jan., 2017	(3541)	Market Sale		
				03 Feb., 2017	(293)	Market Sale		
				24 Mar., 2017	(1740000)	Market Sale		
7.	Samvrudhi Tradesol Pvt. Ltd.	213011	0.61	17 June, 2016	884	Market Purchase	2323501	1.33
				24 June, 2016	80711	Market Purchase		
				18 Nov., 2016	114209	Market Purchase		

				25 Nov., 2016	2044075	Sub-division		
				02 Dec., 2016	99873	Market Purchase		
				09 Dec., 2016	169407	Market Purchase		
				06 Jan., 2017	12996	Market Purchase		
				17 Feb., 2017	6200	Market Purchase		
				31 Mar., 2017	(9050)	Market Sale		
8.	Ithan Creek MB	0	0.00	31 Mar., 2017	1740000	Market Purchase	1740000	0.99
9.	RBM Realty Private Limited	257700	0.74	25 Nov., 2016	1288500	Sub-division	1288500	0.74
10.	Indrakumar Motilal Mutha	0	0.00	07 Oct., 2016	31400	Market Purchase	634090	0.36
				28 Oct., 2016	95418	Market Purchase		
				25 Nov., 2016	634090	Sub-division		
11.	Janak Babubhai Thakar (HUF)	58366	0.17	25 Nov., 2016	291830	Sub-division	291830	0.17
12.	Anand Rameshchandra Jakhotiya	57417	0.16	22 July, 2016	814	Market Purchase	104929	0.06
				29 July, 2016	2279	Market Purchase		
				12 Aug., 2016	(500)	Market Sale		
				26 Aug., 2016	(5500)	Market Sale		
				30 Sept., 2016	(17604)	Market Sale		
				07 Oct., 2016	369	Market Purchase		
				14 Oct., 2016	12250	Market Purchase		
				25 Nov., 2016	247625	Sub-division		
				02 Dec., 2016	(104190)	Market Sale		
				09 Dec., 2016	(38506)	Market Sale		
13.	Rajasthan Global Securities Private Limited	106027	0.30	10 June, 2016	550	Market Purchase	0	0
				17 June, 2016	213	Market Purchase		
				24 June, 2016	29451	Market Purchase		
				30 June, 2016	272	Market Purchase		
				16 Sept., 2016	(1684)	Market Sale		
				23 Sept., 2016	(347)	Market Sale		
				30 Sept., 2016	(101075)	Market Sale		
				07 Oct., 2016	(9462)	Market Sale		
				14 Oct., 2016	(12993)	Market Sale		
				18 Nov., 2016	(10952)	Market Sale		

v) Shareholding of Directors and Key Managerial Personnel

A. Directors

1. Rajesh Sharma

For each of the Directors and KMP	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	100	0.0003	-	-
Corporate Action for Sub-Division of face value on November 25, 2016	500	0.0003	500	0.0003
At the end of the year	-	-	**500**	**0.0003**

2. No other Director holds any share in the Company.

B. None of the Key Managerial Personnel Holds Any Share in the Company

V. INDEBTEDNESS

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

	Secured Loans excluding deposits (₹)	Unsecured Loans (₹)	Deposits (₹)	Total Indebtedness (₹)
Indebtedness at the beginning of the financial year				
i) Principal Amount	14,116.44	--	--	14,116.44
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	**14,116.44**	**--**	**--**	**14,116.44**
Change in Indebtedness during the financial year				
Addition	58,055.05	5,000.00	--	63,055.05
Reduction	4,333.34	--	--	4,333.34
Net Change	53,721.71	5,000.00	--	58,721.71
Indebtedness at the end of the financial year				
i) Principal Amount	67,751.24	5,000.00	--	72,751.24
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	86.91	--	--	86.91
Total (i+ii+iii)	**67,838.15**	**5,000.00**	**--**	**72,838.15**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Sunil Kapoor – Executive Director
1.	Gross Salary	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	₹1,30,85,000
	(b) Value of perquisites under section 17(2) Income Tax Act, 1961	Nil
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	Nil
2.	Stock Options	Nil
3.	Sweat Equity	Nil
4.	Commission	Nil
	– as % of profit	
	– others, specify	
5.	Others, please specify	Nil
	Total (A)	**₹1,30,85,000**
	Ceiling as per the Act	**₹4,93,93,450**

B. Remuneration to Other Directors

1. Independent Directors

Particulars of Remuneration	Name of Director					Total Amount
	Mr. Beni Prasad Rauka	Ms. Bhagyam Ramani	Mr. Mukesh Kacker	Mr. Bhagwati Prasad	Mr. T. R. Bajalia	
Fee for attending Board/ Committee Meetings (₹)	5,55,000	8,25,000	2,25,000	30,000	2,85,000	19,20,000
– Commission	NIL	NIL	NIL	NIL	NIL	NIL
– Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
Total (B)(1) (₹)	**5,55,000**	**8,25,000**	**2,25,000**	**30,000**	**2,85,000**	**19,20,000**

2. Other Non Executive Directors

Particulars of Remuneration	Name of Director		Total Amount (₹)
	Mr. Quintin E. Primo III *Non-executive Chairman*	Mr. Rajesh Sharma *Promoter Director*	
Fee for attending Board/Committee Meetings	1,20,000	NIL	1,20,000
– Commission	NIL	NIL	NIL
– Others, please specify	NIL	NIL	NIL
Total (B)(2)	**1,20,000**	**NIL**	**1,20,000**
Total (B)= (B)(1)+ (B)(2)			**20,40,000**
Total Managerial Remuneration Total of A + B			**1,51,25,000**
Overall Ceiling as per the Act			**10,86,65,590**

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Harish Agrawal *Senior Vice President & Company Secretary*
1.	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	₹45,81,206
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	Nil
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	Nil
2.	Stock Options	Nil
3.	Sweat Equity	Nil
4.	Commission	Nil
	– as % of profit	
	– others, specify	
5.	Others, please specify	Nil
	Total (C)	**₹45,81,206**

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 IV

DETAILS PERTAINING TO EMPLOYEES PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sr. No	Particulars required	Relevant details
i.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Mr. Sunil Kapoor (Executive Director) 30.00x No Other Directors are in receipt of remuneration.
ii.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	**Directors:** Mr. Sunil Kapoor (Executive Director) – Nil* No Other Directors are in receipt of remuneration. **Key Managerial Person:** Mr. Harish Agrawal, Sr. Vice President & Company Secretary – 7.50%*
iii.	The percentage increase in the median remuneration of employees in the financial year	20%
iv.	The number of permanent employees on the rolls of company	581 employees as on 31.03.2017
v.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average increase in salary of eligible employees other than managerial personnel is 15.56%, Remuneration of Executive Director was not changed and Sr. Vice President and Company Secretary was increased by 7.50%*. Increase in salary of the managerial personnel i.e. KMP was as to keep pace with the industry norms.
vi.	It is hereby affirmed that the remuneration is paid as per the Remuneration Policy for the Directors, Key Managerial Personnel and employees	

** Remuneration does not include variable pay.*

Note:

Employee performance is appraised based on the performance of the Company during the previous year and the change in remuneration is made effective from the beginning of the financial year. The employees are paid revised remuneration on June 30 every year.

REPORT ON CORPORATE GOVERNANCE

Corporate governance is creation and enhancement of long-term sustainable value for the stakeholders through ethically driven business processes. Corporate Governance is all about ethical conduct, integrity and accountability of an enterprise. Healthy Corporate Governance enjoins a commitment of the company to run the business in legal, ethical and transparent manner. It is one of the key elements in improving the economic efficiency of the enterprise.

The detailed report on Corporate Governance for the financial year ended March 31, 2017, as per the disclosure requirements prescribed in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is set out below.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At Capri Global, it is imperative that the corporate affairs are managed in a fair and transparent manner for enhancing long-term shareholder value and retaining investor trust.

We, at Capri Global, ensure that we evolve and follow the best corporate governance practices. We consider it our inherent responsibility to disclose timely and accurate information regarding our performance as well as the leadership and governance of the Company. The Company's philosophy on Corporate Governance has been to ensure fairness to the stakeholders through timely and transparent disclosures, equitable treatment of all shareholders and empowerment of employees and collective decision making.

Your Company has adopted various code and policies to carry out duties and functions in most ethical and compliant manner and some of them are:

i. Code of Conduct for the Board and Senior Managerial Personnel;
ii. Whistle Blower Policy;
iii. Internal Guidelines on Corporate Governance;
iv. Corporate Social Responsibility Policy;
v. Nomination and Remuneration Policy;
vi. Board Evaluation Policy;
vii. Fair Practice Code;
viii. Open Architectural Policy;
ix. Code for regulating, monitoring and reporting of Trading by Insiders;
x. Code for Fair Disclosure of Unpublished Price Sensitive Information;
xi. Policy on Related Party Transactions;
xii. Policy on Material Subsidiaries;
xiii. Documents preservation and archival Policy; and
xiv. Policy for determining material events and information.

Your Company has complied with the requirements of Corporate Governance as laid down under the provisions of Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI directions.

2. BOARD OF DIRECTORS

The Company has maintained an optimum combination of Executive and Non-executive Directors including one woman director. As of March 31, 2017, the Board of Directors (the 'Board') consisted of seven members of which four were Independent Directors. The Independent Directors bring independent judgment in the Board's deliberations and decisions. Considering the stringent requirement of the skill-sets on the Board, eminent persons, having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions, are considered by the Nomination and Remuneration Committee for appointment as Independent Directors on the Board. The number of directorships and memberships held in various committees of other companies by such persons is also considered. The Board considers the recommendations of the Nomination and Remuneration Committee and takes appropriate decisions in regard to continuance of and induction of new skill sets at the Board level to ensure the availability of these experienced professionals to guide the Company in an ever evolving business environment.

During the year your Company had a Non-executive Chairman and the management of the Company was led by the Executive Director, who operated under the overall supervision, direction and control of the Board. The Board reviews and approves strategy and oversees the actions and results of the management to ensure that the long-term objectives of enhancing stakeholder value are achieved.

None of the Director on the Company's Board is holding office of Director in more than twenty companies and Independent Director in more than seven listed companies. Further, none of the Director is a Member of more than ten committees and Chairman of more than five committees across all the companies in which he/she acts as Director. All Non-executive Director are/were liable to retire by rotation.

There are no inter-se relationships between the Directors of the Company.

Familiarisation Programme

At the time of appointing a Director, a formal letter of appointment is given to him, which *inter alia* explains the roles, rights and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the compliances required from him under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Code of Conduct, Prohibition of Insider Trading Code, RBI directions and other relevant regulations.

By way of an introduction to the Company, the Director is presented with, relevant Annual Reports, welcome letter with Company's details. The Executive Director also has a one-to-one discussion with the incumbent Director. The programme aims to provide insights into the Company to enable the Director to be in a position to take well-informed timely decisions and contribute significantly to the Company.

At every Board meeting, the Executive Director and the departmental heads apprise the Board members of the business operations, significant changes in operating environment, risks and mitigation strategies of the Company, to keep them abreast of the developments taken place between the meetings.
The Independent Directors of the Company are given every opportunity to familiarize themselves with the Company, its management and operations so as to understand the Company, business, industry and environment in which it functions.

The details of the familiarization programme for Independent Directors has been uploaded on the Company's website i.e. on http://www.cgcl.co.in/images/Downloads/Familiarisation_Programme_for_Independent_Directors.pdf.

Directors Profile

A brief resume of Directors, nature of their expertise and experience and other details are provided in the Annual Report.

Meetings, Attendance and Other Details of Directors

During the year under review, five meetings of the Board of Directors were held. Board meetings were held on April 23, 2016, July 26, 2016, October 8, 2016, November 10, 2016 and January 30, 2017. The Twenty Second Annual General Meeting ('AGM') was held on July 26, 2016. The maximum time gap between any two consecutive Board meetings did not exceed 120 days.

The compositions of the Board, attendance at the Board meetings held during the Financial Year under review and at the last AGM, number of directorship, Memberships/ Chairmanships of the Committees of public companies and their shareholding as on March 31, 2017 in the Company are as follows:-

Name of the Director	DIN	Category	No. of Board Meetings attended/ held	Attendance at the last AGM	Directorships*	Committee position**		Shareholding
						Chairman	Member	
Mr. Quintin E. Primo III	06600839	Non Executive, Non Independent	4/5	Yes	1	Nil	Nil	Nil
Mr. Sunil Kapoor	01436404	Executive	5/5	Yes	4	Nil	Nil	Nil
Mr. Rajesh Sharma	00020037	Promoter- Non-Executive Non Independent	5/5	Yes	17	Nil	1	500
Mr. Beni Prasad Rauka	00295213	Independent	5/5	Yes	11	4	1	Nil
Mr. Bhagwati Prasad@	05152091	Independent	1/2	Yes	2	Nil	Nil	Nil
Ms. Bhagyam Ramani	00107097	Independent	5/5	Yes	10	Nil	6	Nil
Mr. Mukesh Kacker	01569098	Independent	4/5	No	3	Nil	1	Nil
Mr. T. R. Bajalia	02291892	Independent	5/5	Yes	7	Nil	2	Nil

** Excludes Directorship in Foreign Companies and Government Bodies.*

***Only Audit Committee and Stakeholders Relationship Committee in Public Limited Companies have been considered for the Committee positions.*

@ceased to be a director with effect from August 1, 2016

The Companies Act, 2013 read with the relevant rules made thereunder, facilitates the participation of a director in Board/Committee Meetings through video conferencing or other audio visual means. Accordingly, the facility to participate in the meeting through video conferencing/audio-visual was made available to the Directors travelling abroad or present at other locations.

Meeting of Independent Directors

For the year under review, the Independent Directors met once on May 12, 2017, *inter alia*, to:

i. Evaluate the performance of non-independent directors and the Board as a whole;
ii. Evaluate performance of the Non-executive Chairman of the Company; and
iii. Evaluate the quality, quantity and timelines of flow of information between the executive management and the Board.

The suggestions made at the meeting of the Independent Directors were communicated to the Non-executive Chairman and the Executive Director for taking appropriate steps. All Independent Directors except Mr. Mukesh Kacker were present at the meeting.

3. COMMITTEES OF THE BOARD

Board has constituted a set of committees with specific terms of reference/ mandate, as to effectively focus on the issues falling under their jurisdiction. Minutes of proceedings of Committee meetings are circulated to the Directors and placed before the Board at their meetings for noting.

A. Audit Committee

The Company has constituted a qualified and independent Audit Committee, comprising of four Independent Directors who have considerable experience and expertise in accounting and financial management. The Audit Committee comprises of:

i. Mr. Beni Prasad Rauka – Chairman
ii. Ms. Bhagyam Ramani – Member
iii. Mr. Mukesh Kacker – Member
iv. Mr. T. R. Bajalia – Member

The Company Secretary acts as Secretary to the Committee.

The representatives of the Statutory Auditors are permanent invitees to the Audit Committee meetings and they attended all the meetings held during the year. The Internal Auditor reports directly to the Audit Committee.

The Chairman of the Audit Committee was present at the last Annual General Meeting held on July 26, 2016.

Terms of Reference

The terms of reference of Audit Committee are wide enough, covering the matters specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as in Section 177 of the Companies Act, 2013, which *inter alia* includes the following:

a) oversee the Company's financial reporting process and disclosure of its financial information;
b) recommend appointment, remuneration and terms of appointment of auditors of the Company;
c) approve payment to statutory auditors for any other services rendered by them;
d) review with the management, the annual financial statements before submission to the Board for approval, focusing particularly on:
    1) matters to be included in Director's Responsibility Statements to be included in Board's report ;
    2) any changes in accounting policies and practices;
    3) major accounting entries involving estimates based on the exercise of judgment by management;
    4) significant adjustments resulting from the audit findings;
    5) compliance with listing and other legal requirements relating to financial statement;
    6) disclosure of related party transactions;
    7) qualification in draft audit report.
e) review with the management , the quarterly financial statement before submission to the board for their approval;
f) recommend appointment, remuneration and terms of appointment of internal auditors, tax auditors, secretarial auditor and any matters of resignation or dismissal;
g) discuss with the statutory auditors before the audit commences, the nature and scope of the audit as well as post audit discussion to ascertain areas of concern;
h) review the internal audit programme, ensuring co-ordination between the internal and statutory auditors, ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company, and to request internal auditor to undertake specific audit projects, having informed the management of their intentions;
i) consider the major findings of internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
j) consider any material breaches or exposure; breaches of regulatory requirements or of ethical codes of practice to which the Company subscribes, or of any related codes, policies and procedures, which could have a material effect on the financial position or contingent liabilities of the Company;
k) discuss significant findings with internal auditors and initiate follow up action thereon;
l) look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
m) review performance of statutory and internal auditors and adequacy of internal control systems;
n) approve transaction with related parties and subsequent modification to terms of contract/transaction;
o) scrutinize inter-corporate loans and investments;
p) valuation of any of the undertakings or assets as and when necessary;
q) evaluate adequacy of internal financial control and risk management system;

r) review with management , the statement of uses /application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue , and making recommendation to the Board for taking steps in relation thereto;
s) approve appointment of CFO (i.e. the Whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualification, experience and background of the candidate;
t) review functioning of the Whistle Blower Policy ;
u) carry out any other functions as may be falling within the terms of reference of the Audit Committee or as may be delegated to the Committee from time to time.

The composition and terms of reference of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013, requirements prescribed in Master Direction-Non-Banking Financial Companies–Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction ,2016 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Meetings and Attendance

During the year under review, five meetings of the Audit Committee were held on April 23, 2016, July 26, 2016, October 8, 2016, November 10, 2016 and January 30, 2017. The attendance of members at the meeting of Audit Committee was as follows:

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Mr. Beni Prasad Rauka	5	5
Ms. Bhagyam Ramani	5	5
Mr. Mukesh Kacker	5	4
Mr. T. R. Bajalia	5	5

B. Stakeholders' Relationship Committee

The Stakeholders' Relationship ('SR') Committee is led by Independent Director and is primarily responsible to review all matters connected with transfer of securities and redressal of shareholders complaints. The composition of SR Committee is as follows:

i. Mr. Beni Prasad Rauka – Chairman
ii. Ms. Bhagyam Ramani – Member
iii. Mr. Rajesh Sharma – Member

Terms of Reference

The terms of reference of the SR Committee inter alia, includes the following:

i. oversee the redressal of security holder and investors' complaints/grievances pertaining to transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transmission of securities and other miscellaneous complaints;
ii. oversee the performance and service standards of the Registrar and Share Transfer Agent, and recommends measures to improve level of investor services.

The composition and terms of reference of the SR Committee are in accordance with section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Meetings and Attendance

During the year under review, four meetings of the SR Committee were held on April 16, 2016, July 26, 2016, November 5, 2016 and January 28, 2017. The attendance of members at the SR Committee meeting was as follows:

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Mr. Beni Prasad Rauka	4	4
Ms. Bhagyam Ramani	4	4
Mr. Rajesh Sharma	4	3

Investor Grievance Redressal

The status of investor complaints is monitored by the SR Committee periodically and reported to the Board. The complaints received from the shareholders, regulators, stock exchanges are reviewed and they are expeditiously attended to by the Registrar and Share Transfer Agents.

Compliance Officer

Mr. Harish Agrawal, Senior Vice President and Company Secretary is the Compliance Officer for complying with the requirements of Securities Laws and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review no complaint was received. There were no instruments for transfer pending as on March 31, 2017.

C. Nomination and Remuneration Committee

The Nomination and Remuneration ('NR') Committee is led by an Independent Director and is primarily responsible for recommending candidates for appointment as Directors and KMPs and their remuneration, evaluation of performance of Directors and formulation of remuneration policy. The composition of NR Committee is as follows:

i. Ms. Bhagyam Ramani – Chairperson
ii. Mr. Beni Prasad Rauka – Member
iii. Mr. Rajesh Sharma – Member

Terms of Reference

Terms of Reference of the NR Committee *inter alia*, includes the following:

i. To assess that a person to be appointed as Director is 'fit and proper' and fulfills the set criteria as may be required by the Company;
ii. review and recommend to the Board on the structure and composition of the Board of Directors of the Company ;
iii. evaluate the eligibility of an individual on the basis of his/ her qualification, positive attributes, independence and past experience, for appointment and removal as whole time director/managing director/senior management of the company and advising the Board of Directors/ Shareholders with such detailed evaluation in the matter of appointment and removal of such individual;
iv. review, recommend and /or approve the remuneration that can be offered to the proposed whole time director/managing director/ non-executive director/ senior management of the Company;
v. evaluate the performance of the directors of the Company and review and recommend to the Board on their re-appointment ;
vi. review, recommend and /or approve the modification in the remuneration of the Whole time director/ managing director/ manager/ non-executive director and senior managerial personnel;
vii. formulate remuneration policy relating to directors, key managerial personnel and other senior managerial employees of the Company;
viii. evaluate performance of directors with respect to their role as Independent Director and Board members;
ix. implement and administer the Employee Stock Option Scheme;

The Composition and terms of reference of the NR Committee is in compliance with provisions of section 178 of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Share Based Employee Benefits) Regulations, 2014.

Meetings and Attendance

During the year under review, four meetings of NR Committee were held on April 16, 2016, June 30, 2016, December 24, 2016 and January 28, 2017. The attendance at the meeting of NR Committee is as follows:

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Ms. Bhagyam Ramani	4	3
Mr. Beni Prasad Rauka	4	4
Mr. Rajesh Sharma	4	4

Nomination and Remuneration Policy

The Board of Directors of the company has adopted Nomination and Remuneration Policy ('Policy') for the Company, *inter alia* to deal with the manner of selection of Board of Directors, KMP and Managing Director and their remuneration. The Policy is annexed as Annexure to this Report.

Director's Remuneration

The details of sitting fees/remuneration paid to Directors during the FY2016-17, are as under:

Sr. No.	Name of the Director	Sitting Fees for attending Meetings (₹)	Salary and Perquisites (₹)	Incentive/ Bonus (₹)	Total (₹)
1.	Mr. Quintin E Primo III	120,000	N.A.	N.A.	120,000
2.	Mr. Sunil Kapoor	Nil	1,20,00,000	11,00,000	1,31,00,000
3.	Mr. Rajesh Sharma	Nil	Nil	Nil	Nil
4.	Mr. Beni Prasad Rauka	555,000	N.A.	N.A.	555,000
5.	Mr. Bhagwati Prasad@	30,000	N.A.	N.A.	30,000
6.	Ms. Bhagyam Ramani	825,000	N.A.	N.A.	825,000
7.	Mr. Mukesh Kacker	225,000	N.A.	N.A.	225,000
8.	Mr. T. R. Bajalia	285,000	N.A.	N.A.	285,000

@ ceased to be a director with effect from August 1, 2016

There were no pecuniary relationships or transactions of Non-executive Directors vis-a-vis the Company.

Service contract, Severance Fees and Notice Period

Mr. Sunil Kapoor was appointed as Executive Director of the Company for a period of three years w.e.f. January 24, 2016. His remuneration for the FY2016-17 comprises of salary of ₹12,000,000/- and Bonus of ₹1,100,000/-. His appointment may be terminated by giving three months notice on either side or payment in lieu of notice. No severance fees are payable on termination of his employment.

Performance Evaluation of the Board, Directors and Committees of the Board

The Company has devised Board Evaluation Policy as to carry out annual performance evaluation of the Independent Directors, Board, Committees and other individual Directors.

A structured questionnaire was prepared for capturing various facets of the functioning of Board, such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.
A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were assessed to find out knowledge/skills, contribution to the Board and their communication/relationship with the Board and senior management of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-independent Directors were carried out by the Independent Directors.

D. Corporate Social Responsibility Committee

The Corporate Social Responsibility ('CSR') Committee is primarily responsible for assisting the Board in discharging its social responsibilities by formulating and monitoring implementation of the framework of policy adopted by the Board. The CSR Committee is led by an Independent Director and the composition is as follows:

i. Ms. Bhagyam Ramani – Chairperson
ii. Mr. Beni Prasad Rauka – Member
iii. Mr. Rajesh Sharma – Member
iv. Mr. Sunil Kapoor – Member

Terms of Reference

Terms of Reference of the CSR Committee inter alia, includes:

i) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of Companies Act, 2013;
ii) to recommend the amount of expenditure to be incurred on the CSR activities; and
iii) to monitor the implementation of the CSR Policy of the company from time to time.

The composition and terms of reference of the CSR Committee is in compliance with provisions of section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

Meetings and Attendance

During the year under review two meetings of the CSR Committee were held on April 16, 2016 and October 8, 2016, where all the members were present.

E. Operations and Resources Committee

(previously known as Operations and Borrowing Committee)

The Operations and Resources Committee was constituted to oversee routine operations which are not specifically required to be referred to the Board and to borrow funds within the overall limits approved by the Shareholders of the Company. The Operations and Resources Committee is led by the Executive Director of the Company and comprise as follows:

i. Mr. Sunil Kapoor – Chairman
ii. Mr. Rajesh Sharma – Member
iii. Mr. Beni Prasad Rauka – Member
iv. Ms. Bhagyam Ramani – Member

Terms of Reference

Terms of reference of the Operations and Resources Committee *inter alia*, includes the following:

i. To finalising the detailed terms and conditions of the Debenture/Bonds Issue, size of Issue, tenor of Issue, coupon rate, interest payment frequency, redemption dates, interest reset procedure, front end discount, redemption premium, arrangers to the issue and its fees, security with regard to secured Debentures, listing of debentures and to do all incidental and ancillary matters thereto;
ii. to issue and allot securities of the Company in physical and dematerialised mode and to do all incidental and ancillary matters thereto;
iii. to borrow funds up to the limits approved by the shareholders of the Company pursuant to section 180(1)(c) of the Companies Act, 2013;
iv. to oversee the functioning of Asset liability Management Committee as per clause 6.4 of guidelines for Asset-Liability Management (ALM) system in NBFCs.;
v. to authorise officials to represent the Company before any regulatory authority(ies);
vi. to authorize officials of the Company to initiate, defend and represent Company in any suits and/or criminal proceedings for and against the Company;
vii. to authorize officials to sign, execute and file various return,

forms, other relevant documents with various Authorities under Income Tax, Service Tax, Shops and Establishment Act, Provident Fund and Miscellaneous Provisions Act, ESIC etc.;

viii. to open, operate and/or close banking, demat, escrow and other accounts;

ix. to approve change in the authorised signatories to the aforesaid accounts;

x. to register, approve and execute lease deed, Leave and License, Escrow and other agreements for day to day business operations and sub-delegate the authorities to the officials;

xi. to sale or purchase office premises, flats and taking the same on lease/ leave and license basis for housing the business operations and employees of the Company;

xii. to make application for registration of the intellectual property rights in trade mark, copy rights belonging to the Company and to defend any infringements in respect thereto;

xiii. Any other decision of routine nature having bearing on the day to day banking, operational and borrowing of the Company and not requiring specific approval of the Board of Directors.

Meetings and Attendance

During the year under review the Operations and Resources Committee met Eight times on August 27, 2016, October 8, 2016, November 21, 2016, December 8, 2016, February 1, 2017, February 27, 2017, March 6, 2017 and March 17, 2017. The attendance at the meeting of Operations and Resources Committee is as follows:

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Mr. Sunil Kapoor	8	6
Mr. Rajesh Sharma@	6	3
Ms. Bhagyam Ramani	8	7
Mr. Beni Prasad Rauka	8	7

@ Inducted as a member of the committee w.e.f. October 8, 2016

F. Risk Management Committee

The Risk Management Committee is primarily responsible for review of operational risk, information technology risk and integrity risk, taking strategic actions to mitigate the risk associated with the nature of the business and appraising the Board of Directors at regular intervals regarding risk management policy and strategy.

Composition

The Risk Management Committee is led by the Executive Director of the Company and comprises of the following:

i. Mr. Sunil Kapoor – Executive Director
ii. Mr. Beni Prasad Rauka – Member
iii. Mr. T. R. Bajalia – Member
iv. Ms. Bhagyam Ramani – Member

Meetings and Attendance

During the year under review the Risk Management Committee met four times on April 16, 2016, July 23, 2017, November 5, 2016 and January 28, 2017, where all the members were present.

4. EXECUTIVE COMMITTEES CONSTITUTED BY THE BOARD

Board has constituted a set of committees which are lead by a Board member with senior executives of the company contributing as members. Minutes of proceedings of these committees are circulated to the Directors and placed before the Board at their meetings for noting.

A. Asset Liability Management Committee

The Asset Liability Management Committee ('ALCO') is primarily responsible for cash flow and balance sheet planning, managing interest rate risks and liquidity risks associated with the business of the Company. It monitors the asset liability gap and strategizes action to mitigate the risk associated.

Composition

ALCO is led by the Executive Director of the Company and is joined by senior executives from Finance, Risk, Information Technology, Treasury functions. ALCO comprises as follows:

i. Mr. Sunil Kapoor – Chairman
ii. Mr. Ashok Agrawal – Senior Vice President (Compliance and Legal)
iii. Mr. Balasaheb Ugale – Vice President –IT
iv. Mr. Gaurang Shah – Associate Director (Finance and Accounts)
v. Mr. Ramesh Kelkar – Head of Credit and Risk-Wholesale and SME Lending
vi. Mr. Kaushik Chatterjee – Group-Chief Risk Officer

The Composition of the ALCO and its terms of reference are in compliance with the requirements of Reserve Bank of India.

Meetings and Attendance

During the year under review four meetings of the ALCO were held on April 13, 2016, July 14, 2016, October 15, 2016 and January 11, 2017. Attendance at ALCO meetings is as follows:

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Mr. Sunil Kapoor	4	4
Mr. Ashok Agarwal	4	1
Mr. Balasaheb Ugale	4	3
Mr. Gaurang Shah	4	4
Mr. Ramesh Kelkar	4	3

B. Investment Committee

The Investment Committee decides on all proposals for investment and lending received by the Company within the exposure norms as laid down in the Credit and Investment Policy of the Company.

Composition

The Investment Committee is lead by Independent Director and comprises as follows:

i. Ms. Bhagyam Ramani – Chairperson
ii. Mr. S. K. Sangar – Head of Wholesale Lending
iii. Mr. Ramesh Kelkar – Head of Credit and Risk-Wholesale and SME Lending
iv. Mr. Kaushik Chatterjee – Group-Chief Risk Officer

Meetings and Attendance

During the year under review the Investment Committee met 19 times and the attendance at its meeting is as follows:

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Ms. Bhagyam Ramani	19	19
Mr. Sunil Kapoor @	6	3
Mr. Kaushik Chatterjee@@	13	13
Mr. Ramesh Kelkar	17	16
Mr. S K Sangar	19	19

@ ceased to be a Member of the Committee with effect from August 8, 2016

@@ appointed as a Member of the Committee with effect from August 8, 2016

5. GENERAL BODY MEETINGS

Annual General Meetings

All Annual General Meetings during the preceding three years were held at Indian Merchants Chamber, LNM IMC Building, Opposite Churchgate Station, Churchgate, Mumbai – 400020. The date, time and the special resolution passed thereat are as follows:

Year	Date	Time	Special Resolution Passed
2015-16	July 26, 2016	11.00 A.M.	Four Special Resolutions passed amending Memorandum of Association.
2014-15	July 18, 2015	12 Noon	No special resolution was passed
2013-14	August 04, 2014	12 Noon	Authorised Board to borrow upto ₹2,000 crores

Postal Ballot

During the year 2016-17, pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company passed the following two Special Resolutions by postal ballot:

Sl. No.	Special Resolutions	Votes cast in favour of resolution		Votes cast against the resolution		Date of declaration of result
		No.	%	No.	%	
1.	Issue of Non-convertible Debentures on Private Placement basis	28489361	99.99	30	0.01	November 12, 2016
2.	Alteration of Capital Clause in the Memorandum of Association	28489252	99.99	34	0.01	November 12, 2016

The Company successfully completed the process of obtaining approval of its shareholders for Special Resolutions on the items detailed above, vide postal ballot. Mr. Dinesh Kumar Deora, Practicing Company Secretary was appointed as the scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

No Special Resolution is proposed to be passed through Postal Ballot in the ensuing Annual General Meeting.

Procedure for Postal Ballot

In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules and Listing Regulations, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company generally engages the services of CDSL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or through e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members / list of beneficiaries as on a cut-off date. The postal ballot notice is send to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding)/the Company's registrar and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspapers declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.
Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date.

Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairman or any other Director of the Company, after the completion of scrutiny of the postal ballots (including remote e-voting).The results of the postal ballot (including remote e-voting) are announced by the Chairman or any other Director of the Company. The results are also displayed at the registered office of the Company, intimated to NSDL and the Stock Exchanges where the Company's shares are listed and also displayed along with the Scrutinizer's report on the Company's website viz. www.cgcl.co.in. The resolution, if passed by requisite majority, shall be deemed to have been passed on the last date specified by the Company for receipt of duly completed postal ballot forms or e-voting.

6. DISCLOSURES

i. Related Party Transactions

During the year under review, the Company has not entered into any material transaction with any of the related parties. All related party transactions are at arm's length and in the ordinary course of business and are not in conflict with the interest of the Company.

Suitable disclosure as required by the Accounting Standards (AS 18) has been made in the Standalone Financial Statements and attention of the members is drawn to Note No. 26.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website i.e. on http://www.cgcl.co.in/images/Downloads/Policy_on_Related_Party_Transactions_1.pdf.

ii. Strictures and Penalties

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India or by any statutory authority on any matters related to capital markets during the last three years.

iii. Whistle Blower Policy

The Company believes in the conduct of the affairs of its various constituents in a fair and transparent manner, by adopting the highest standard of professionalism, honesty, integrity and ethical behaviour and open communication. The Company has Whistle Blower Policy under which the employees are free to report instances of unethical behaviour, violation of laws and regulations and the Code of Conduct or policies of the Company. The employee can approach the Whistle Blower Committee which operated under the supervision of the Audit Committee. Employee may directly report to the Chairman of the Audit Committee. During the year under review no employee was denied access to the Audit Committee.

iv. Policy on Material Subsidiaries

The Board has approved a Policy on Material Subsidiaries which has been uploaded on the Company's website i.e. on http://www.cgcl.co.in/images/Downloads/Policy_on_Material_Subsidiaries_1.pdf.

v. Status of Adoption of Mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has complied with all mandatory requirements of Corporate Governance norms as specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable to the Company.

7. MEANS OF COMMUNICATION

The quarterly and half yearly results are published in widely circulating national and local newspapers, such as The Asian Age/ The Financial Express/Business Standard in English and Mumbai Lakshdeep in Marathi. The same are also displayed on the website of the Company i.e. www.cgcl.co.in

8. GENERAL SHAREHOLDER INFORMATION

i. Company Registration Details

The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65921MH1994PTC173469.

ii. Annual General Meeting

(Day, Date, Time and Venue)
Monday, July 17, 2017 at 4 p.m.
Nehru Centre, Hall of Harmony,
Dr. Annie Besant Road, Worli,
Mumbai-400 018

iii. Financial Year and Calendar (tentative)

Financial Year – April 1, 2017 to March 31, 2018

Results for the quarter ending –

June 30, 2017	– on or before August 14, 2017
September 30, 2017	– on or before November 14, 2017
December 31, 2017	– on or before February 14, 2018
March 31, 2018	– on or before May 30, 2018

iv. Book Closure Date

July 7, 2017 (Friday) to July 17, 2017 (Monday) (both days inclusive)

v. Dividend

Dividend @ 30 paise per Equity Share of ₹2/- of the Company will be paid to the Shareholders whose names appear in the Register of Members as on July 7, 2017, subject to approval of the Shareholders at the 23rd Annual General Meeting, within the statutory time limit of 30 days.

vi. Listing

Equity Shares of the Company are listed on BSE and NSE.
ISIN: INE180C01026

a. Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
Code: 531595

b. National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051.
Code: CGCL

Listing Fees up to the Financial Year 2017-18 have been paid in full to both the Stock Exchanges.

Market Price Data

a) Equity Shares:

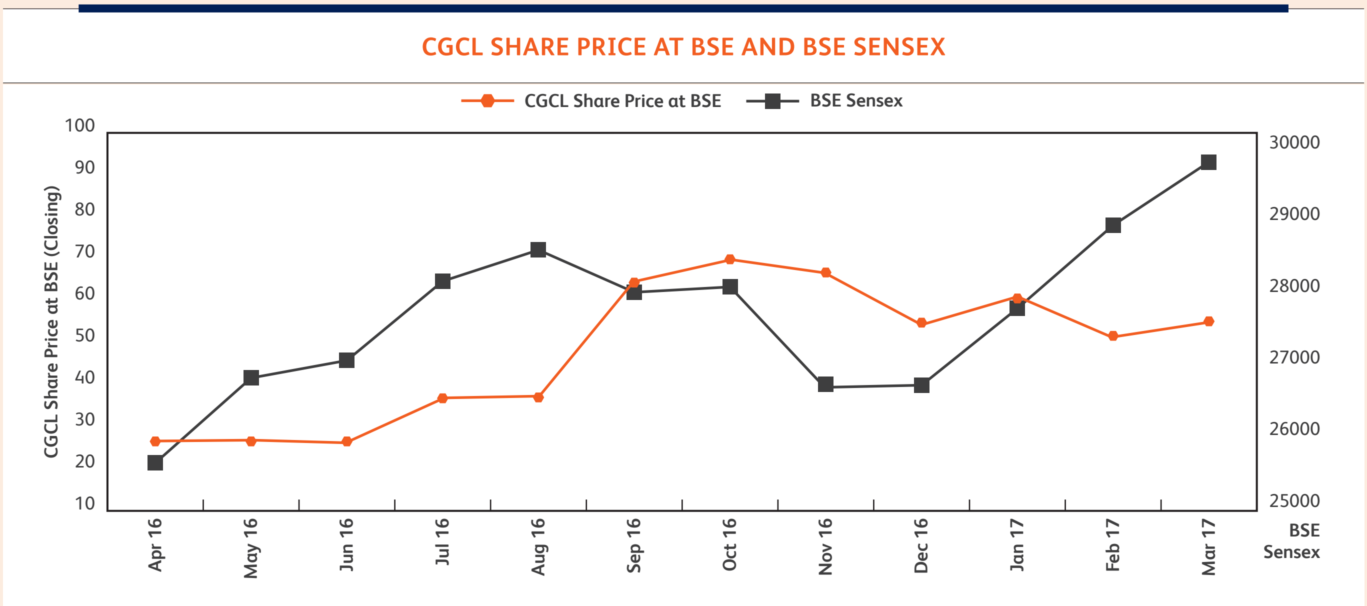
Monthly high/ low of the Closing Price and trading volumes on BSE/ NSE of Equity Shares of the Company is given hereunder:

Month	Bombay Stock Exchange Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High Price (₹)	Low Price (₹)	Volume (No. of shares)	High Price (₹)	Low Price (₹)	Volume (No. of shares)
Apr-16	145.00	122.00	28283	146.00	124.00	52527
May-16	142.00	129.50	14946	144.30	130.00	50590
Jun-16	141.25	111.10	81601	143.70	109.60	214690
Jul-16	199.25	121.30	299636	199.75	122.00	790254
Aug-16	193.00	161.60	86078	193.10	161.05	310428
Sep-16	368.00	183.25	539103	368.00	183.00	2039404
Oct-16	407.00	320.00	195071	407.65	325.00	826485
Nov-16$	385.00	265.00	96708	385.90	261.00	224171
Nov-16@	69.90	57.85	43790	69.55	54.50	305669
Dec-16	67.70	52.00	80349	67.85	52.25	412697
Jan-17	65.45	53.50	66349	65.45	53.05	385964
Feb-17	60.05	37.30	1587759	59.70	38.05	3873473
Mar-17	57.00	46.25	1616268	57.00	46.50	2600182

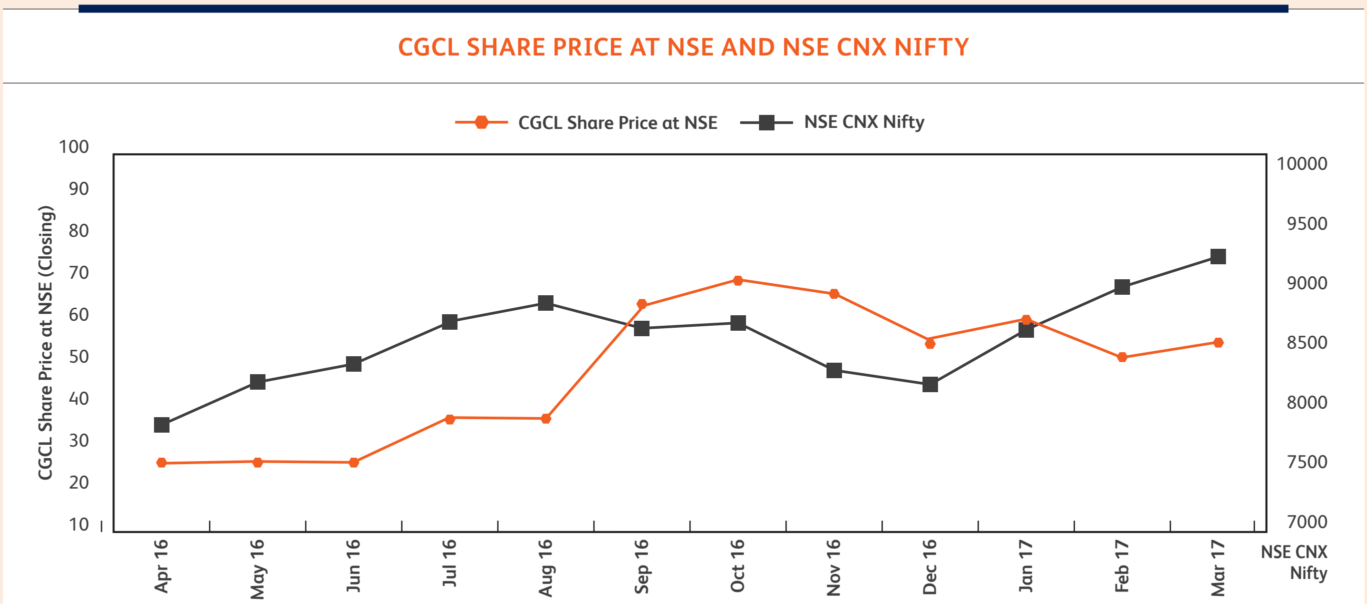
$ Face value @v ₹10/- per share upto November 22, 2016.

@ Face Value @ ₹2/- per shares from November 23, 2016.

b) Performance of the Company's Stock Price* vis-a-vis BSE Sensex:



c) Performance of the Company's Stock Price* vis-a-vis NSE Nifty



Note:
The Company has sub-divided the face value of its equity shares from ₹10 to ₹2 per share, accordingly the share prices prior to November 23, 2016 have been adjusted to bring the parity in the above graphs.

vii. Registrar and Transfer Agents

Members/ shareholders are requested to correspond with the Company's Registrars and Transfer Agents quoting their Folio No./ DP ID and Client ID at the following address:

Link Intime India Private Limited
C 101, 247 Park,
L B S Marg, Vikhroli West,
Mumbai 400 083
Tel: 022 49186270
Telefax: 022 49186060
e-mail ID: rnt.helpdesk@linkintime.co.in

viii. Share Transfer System

Securities lodged for transfers are processed and security certificates are returned within a period of fifteen days from the date of receipt, subject to all documents being valid and complete in all respects. The Board of Directors has delegated the authority for approving transfer, transmission, etc. of the Company's securities to the Executive Director and the Company Secretary of the Company. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities, as required under regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the certificate with Stock Exchanges.

ix. Shareholding Pattern as on March 31, 2017

Category	No. of Shares	% of Holding
A) Promoters Holding		
Individuals	45,900,835	26.21
Bodies Corporate	83,557,455	47.71
Sub-Total (A)	**129,458,290**	**73.92**
B) Non-Promoters Holding		
1) Foreign Institutional Investors	15900868	9.08
Sub-Total (B)(1)	**15900868**	**9.08**
2) Non-Institutions		
Bodies Corporate	21,441,812	12.24
Individuals	6,913,002	3.95
Non Resident Indians	106,215	0.06
Clearing Member	379,512	0.22
HUF	935,106	0.53
Sub-Total(B)(2)	**29,775,647**	**17.00**
Grand Total(A+B)	**175,134,805**	**100.00**

Distribution Schedule of Equity shareholder as on March 31, 2017

Range	No of Share Holders	%	No of Shares	%
1 – 500	2839	67.7727	517085	0.2952
501 – 1000	435	10.3843	361498	0.2064
1001– 2000	316	7.5436	483006	0.2758
2001– 3000	181	4.3208	470756	0.2688
3001– 4000	69	1.6472	246318	0.1406
4001– 5000	86	2.0530	413692	0.2362
5001– 10000	105	2.5066	811412	0.4633
And Above	158	3.7718	171831038	98.1136
Total	**4189**	**100.0000**	**175134805**	**100.0000**

x. Dematerialisation of Equity Shares and Liquidity

The Company's shares are currently traded only in dematerialised form over NSE and BSE. To facilitate trading in dematerialised form, the Company has tied up with NSDL and CDSL. Shareholders can open account with any of the Depository Participants registered with any of these depositories. As on March 31, 2017, 99.94% of the Company's equity shares were held in dematerialised form.

xi. The Company has not Issued any GDRs/ADRs.

xii. Branches

Company has 38 branches located at Ahmedabad, Ambala, Bharuch, Bhopal, Delhi, Faridabad, Gurgaon, Gandhidham, Indore, Jamnagar, Karnal, Ludhiana, Mumbai, Mehsana, Nagpur, Nasik, Pune, Panvel, Panipat, Rajkot, Surat, Thane, Vadodara and Vapi.

xiii. Address for Correspondence

For any assistance regarding share transfer and transmission, change of address, non-receipt of dividend, duplicate/missing share certificates, demat and other matters please write to or contact Registrar and Share Transfer Agent of the Company at address mentioned at (vii) above. For any query on the Annual Report and for any complaints or suggestions please write to or contact:

Mr. Harish Agrawal
Senior Vice President and Company Secretary
Capri Global Capital Limited
502, A Tower, Peninsula Business Park
Lower Parel, Senapati Bapat Marg
Mumbai-400013
Tel. No. (022)–40888104
e-mail ID: investor.relation@cgcl.co.in

9. COMPLIANCE WITH DISCRETIONARY REQUIREMENTS AS PER REGULATION 27(1) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Company has adopted following discretionary requirements of regulation 27(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

i. **Audit Qualifications:** The Company is in the regime of unmodified audit opinion.

ii. **Separate posts of Chairman and Executive Director:** The Chairman of the Board is a Non-executive Director and his position is separate from that of the Executive Director.

iii. **Reporting of Internal Auditor:** The Internal Auditor reports directly to the Audit Committee.

10. ED AND CFO CERTIFICATION

Executive Director and Associate Director-Finance and accounts of the Company provide annual certification on financial reporting and internal controls to the Board in terms of regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Executive Director and Associate Director-Finance and Accounts also certify the accuracy of the quarterly financial results while placing results before the Board.

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

I, Sunil Kapoor, Executive Director of the Company, hereby declare that, all the Members of the Board and Senior Management Personnel have confirmed their compliance with the Code of Conduct for the year ended March 31, 2017.

Place : Mumbai

Date: May 13, 2017

For **Capri Global Capital Limited**

Mr. Sunil Kapoor
Executive Director

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of Capri Global Capital Limited,
Mumbai

We have examined the compliance of conditions of Corporate Governance by Capri Global Capital Limited ('the Company') for the year ended March 31, 2017 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the listing agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the 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 statement of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the listing agreement of the said Company with the Stock Exchange.

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

Place : Mumbai

Date: May 12, 2017

For PRS Associates
Company Secretaries

Sanjay Shringarpure
Partner

Membership No. FCS2857
CP No. 6107

This Policy has been laid down on the recommendations of the Nomination and Remuneration Committee of the Board, and is in compliance with the requirements of the Section 178 Companies Act, 2013 and Listing Regulations.

1.1 OBJECTIVES

The Policy lays down the:

(i) Criteria for determining *inter alia* qualification, positive attributes and independence of Directors for their appointment on the Board of the Company ;

(ii) Criteria for payment of remuneration to Directors, Key Managerial Personnel and other Employees.

1.2 DEFINITIONS

i. "Board" means Board of Directors of the Company.

ii. "Company" means "Capri Global Capital Limited."

iii. "Employees' Stock Option" means the option given to the Directors, Officers or Employees of a company or of its holding company or subsidiary company or companies, if any, which gives such Directors, Officers or Employees, the benefit or right to purchase, or to subscribe for, the shares of the Company at a future date at a pre-determined price.

iii A. 'fit and proper 'shall mean an individual who is :

- a. more than thirty years in age;
- b. a graduate;
- c. has minimum five years experience;
- d. a person of integrity, reputation and character in the opinion of the Committee;

iv. "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013.

v. "Key Managerial Personnel" (KMP) means

- a) Chief Executive Officer or the Managing/Executive Director or the Manager,
- b) Company Secretary,
- c) Whole-time Director,
- d) Chief Financial Officer and
- e) Such other officer as may be prescribed.

vi. "Committee" shall mean the Nomination and Remuneration Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations.

vii. "Policy or This Policy" means, "Nomination and Remuneration Policy."

viii. "Managerial Person" means the Managing Director, Whole-time Director and/or Manager.

ix. "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

x. "Senior Management" means, personnel of the Company who are members of its core management team excluding Board of Directors and who may be qualified to become directors.

1.3 INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, SEBI Act, 1992, Listing Regulations as notified by the Securities and Exchange Board of India from time to time.

1.4 APPOINTMENT AND REMOVAL OF MANAGERIAL PERSON, DIRECTOR, KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

i. Appointment criteria and qualifications:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Person, Director, KMP or Senior Management Personnel who may be qualified to become directors and recommend to the Board his/her appointment.
- b) The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the designated position.
- c) With respect to appointment of a Senior Management Personnel other than the one mentioned above, the Human Resource Department with the consultation/advice/ recommendations of the respective Functional Heads/ Promoter Director of the Company, as the case may be, can decide on their appointments and the same need not be recommended to the Committee/Board as the case may be.

ii. Term/Tenure:

- a) The Company shall appoint or re-appoint a person as its Managerial Person by passing of a resolution and disclosure of such appointment in the Directors Report forming part of the Annual Report.
- b) No Independent Director shall hold office for more than two consecutive Terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.
- c) Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. Term can be for a maximum period of five years.
- d) the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves, is restricted to seven listed companies as an Independent Director and three listed

companies as an Independent Director in case such person is serving as a Whole-time Director of the Company.

iii. Removal:
Due to reasons for any disqualification mentioned in the Companies Act, 2013 ('Act'), rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Managerial Person, Director, subject to the provisions and compliance of the Act, rules and regulations.

iv. Retirement:
The Managerial Person, Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Managerial Person, Director, and KMP, Senior Management in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

1.5 DISQUALIFICATIONS FOR APPOINTMENT OF DIRECTORS

i. A person shall not be eligible for appointment as director of the company if:
   a) he is of unsound mind and stands so declared by a competent court;
   b) he is undischarged insolvent;
   c) he has applied to be adjudicated as an insolvent and his application is pending;
   d) he has been convicted by a court of any offence, weather involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company:
1) An order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order in force;
2) he has not paid any calls in respect of any shares of the company held by him whether alone or jointly with others and six months have elapsed from the last day fixed for the payment of the call;
3) he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or
4) he has not complied with sub-section (3) of section 152 of the Companies Act, 2013.

ii. A person who has been a Director of the company which:
   a) has not filed financial statements or annual returns for any continuous period of three financial years; or
   b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay dividend declared and such failure to pay or redeem continues for one year of more, shall be ineligible to be appointed as a director of the Company for a period of five years from the date on which the other company fails to do so.

iii. A person shall not be eligible for appointment and continuance as a Director, if he/she is not found 'fit and proper' by the Committee.

1.6 REMUNERATION POLICY

Remuneration Policy of CGCL is designed to attract, motivate, and retain manpower in a competitive environment considering qualification, positive attribute, integrity and independence, and is guided by the common reward framework and set of principles and objectives. The Remuneration Policy applies to the Company's Senior Management Personnel, including its Key Managerial Person and the Board of Directors.

The policy captures remuneration strategies, policies and practices of CGCL, including compensation, variable-compensation, equity-based plans and the process for the measurement and assessment of employee and executive performance. The remuneration/compensation/commission etc. to the Managerial Person, Director, KMP and Senior Management Personnel (who may be qualified to become directors) will be determined by the Committee and recommended to the Board for approval.

1.6.1 Remuneration Strategy for Employees at CGCL

The Company adopts a total compensation philosophy in rewarding employees. The total compensation package for the employees comprises of Fixed and Variable Component. Fixed pay consists of the base salary and any recurring, regular allowances payable in the specific location. Variable pay includes performance bonuses and ESOP's for eligible employees.

The level of Total compensation is designed to be appropriate to attract, retain and motivate employees to contribute their best. In determining the Total compensation of employees, the Company takes into account the role and its responsibilities, the individuals' and teams' performance, and the Company's performance, as well as market factors. The Company's remuneration strategy is market-driven and aims at attracting and retaining high caliber talent.

Factors such as profitability and achievement of key performance indicators are taken into consideration, in determining the bonus pool for the Company and its business units. Individual bonus allocation is based on performance against various set of pre-defined objectives.
The strategy is in consonance with the existing industry practice and is directed towards rewarding performance, based on review of achievements, on a periodical basis.

1.6.2 Remuneration of Key Management Personnel

The Company shall review, at least annually, the Key Management personnel's remuneration arrangements in light of current market benchmarks and expert advice on remuneration levels and, with due consideration to law and corporate governance principles.

Remuneration of the Key Management Personnel consists of a fixed component and a variable performance incentive. The annual appraisal of the Key Management personnel is based on a detailed performance evaluation of their Key Performance Indicators (KPI's)

i. Fixed Component: Consists of Basic Pay (Usually 40 % -60 % of the gross Fixed Salary).

ii. Perquisites: In the form of house rent allowance/ accommodation, reimbursement of medical expenses, conveyance, children education, telephone, communication equipments like Ipad's etc.

iii. Retirement Benefits: Pension contributions, Gratuity payments are made in accordance with applicable laws and employment agreements.

iv. Severance payments: In accordance with termination clauses in employment agreements, the severance payment is in accordance with applicable local legal framework.

v. Personal benefits: Based on employment agreements and Company policy, Company Car and Driver is provided to specific grade.

vi. Medical Insurance – Coverage of ₹5 Lacs every year to the personnel, his/her spouse, two children and parents (In case of female employees they can choose the option for including their in-laws in lieu of her parents).

vii. Term Insurance – Coverage between ₹50 Lacs to ₹1 crore based on the grade.

viii. Variable pay is linked to the below three factors:
   a) the financial results of the company;
   b) targets achieved;
   c) the individual performance and that of the department/ team

ix. Annual Performance Linked Bonus: Individual bonus allocation takes performance ratings and performance against various set of objectives mentioned below into consideration:
   a) In the beginning of the year the Board sets the organization performance objectives based on qualitative and quantitative measures.
   b) These objectives are reviewed periodically to ensure they remain consistent with the Company's priorities and the changing nature of the Company's business.
   c) These objectives form part of the performance targets for the Managerial Personnel.
   d) Performance against these objectives is reviewed annually by the Board and is reflected in the Managerial Personnel's remuneration review.

1.6.3 Remuneration of Non-executive Directors including Independent Directors

The Non-Executive Directors of the Company (who are not in the employment of the Company and/or its subsidiaries/associates) shall be paid sitting fees as per the limits prescribed under the Companies Act, 2013. Commission, if any, payable to NEDs shall be approved by the Board of the Company based on the recommendation of the Committee.

An independent Director shall not be entitled to any Stock Options of the Company.

1.7 DEVIATIONS FROM THE POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

1.8 AMENDMENTS

The Remuneration policy may be reviewed by the Board of the Company on the recommendation of the Nomination and Remuneration Committee of the Board.

FINANCIAL STATEMENTS

STANDALONE

CONSOLIDATED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

CAPRI GLOBAL CAPITAL LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **CAPRI GLOBAL CAPITAL LIMITED** ("the Company"), comprising of the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the preparation of these standalone financial statements in terms of requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the 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 standalone 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:

a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;

b) In the case of the Statement of Profit and Loss, of the **Profit** for the year ended on that date; and

c) In the case of the Cash Flow Statement, of the 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, 2016 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Companies Act, 2013 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that :

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;

   c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

d) In our opinion the aforesaid standalone financial statement 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, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure-B.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the 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, we report that:

   i) The Company does not have any pending litigations which would impact its financial position.

   ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

   iii) There has been no delay in transferring amounts, required to be transferred, to the Investors Education and Protection Fund by the Company.

   iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

For and on behalf of
KARNAVAT & CO.
Chartered Accountants
Firm Regn No. 104863W

(Shashikant Gupta)
Partner
Membership No. 45629

Place : Mumbai
Dated : May 13, 2017

Annexure - A to Independent Auditor's Report

The Annexure referred to in paragraph 1 under the 'Report on Other Legal and Regulatory Requirements' our report to the members of CAPRI GLOBAL CAPITAL LIMITED, ('the Company') for the year ended on March 31, 2017. We report that:-

i. In respect of its fixed assets:

(a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of fixed assets which is, in our opinion, reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

(c) As per the information and explanation given to us by the management, immovable property of the Company represents Leasehold premises and Flat. In case of Leasehold Premises, Lease agreement is in the name of the Company as lessee. Further, Title deed of the flat is in the name of the Company.

ii. In respect of its inventories:

The Company is in the business of financing, and consequently, does not hold any inventory. Accordingly, the provisions of Clause 3(ii) of the Order are not applicable to the Company.

iii. The Company has granted unsecured loan to One Wholly Owned Subsidiary Company amounting to Rs.26.50 Lacs covered in the register maintained under section 189 of the Act, in respect of which:

a) In our opinion and according to the information given to us, the terms and conditions of the loans given by the Company are prima facie, not prejudicial to the interest of the Company;

b) The Schedule of payment of interest is stipulated and the receipt of the same is regular;

c) As there is no stipulation regarding repayment of principal loan, in our opinion, overdue amount, if any, cannot be determined;

iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantee or security to the parties covered under Section 185 and hence provisions of Clause 3(iv) of the aforesaid Order in this regard are not applicable to the Company.

Further, the Company has complied with provision of Section 186 of the Act in respect of the investments made by it.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified.

vi. In our opinion and according to the information and explanations given to us maintenance of cost records under sub-section (1) of the Section 148 of the Companies Act, 2013 has not been prescribed by the government.

vii. (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, wealth tax, duty of customs, duty of excise, value added tax or cess and other statutory dues applicable to it. No undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, wealth tax, duty of customs, duty of excise, value added tax or cess and other statutory dues were outstanding, as at 31-03-2017, for a period of more than six months from the date they became payable.

(b) According to the records of the Company and information and explanations given to us no dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess that have not been deposited on account of any disputes.

viii. Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and bank.

ix. Based on our audit procedures and according to the information and explanations given to us by the management, the Company has raised money by way of debt instruments and term loans. The said money was utilized for the purpose for which it was obtained.

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

xi. The Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provision of the Section 197 read with Schedule V of the Act.

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

xiii. The Company has entered into the transaction with the related parties in compliance with the provisions of the Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Accounting Standard (AS)18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

xv. The Company has not entered into any non-cash transactions with its directors or the persons connected with him and hence provisions of Clause 3(xv) of the aforesaid Order are not applicable to the Company.

xvi. The Company has obtained registration as required under Section 45-IA of the Reserve Bank of India Act, 1934.

For and on behalf of
KARNAVAT & CO.
Chartered Accountants
Firm Regn No. 104863W

(Shashikant Gupta)
Partner
Membership No. 45629

Place : Mumbai
Dated : May 13, 2017

Annexure-B to Independent Auditor's Report

The Annexure referred to in paragraph 2(f) under the 'Report on Other Legal and Regulatory Requirements' our report to the members of CAPRI GLOBAL CAPITAL LIMITED, ('the Company') for the year ended on March 31, 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Act

We have audited internal financial controls over financial reporting of **CAPRI GLOBAL CAPITAL LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year then ended on that date.

Management's Responsibility for the Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

2. Provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and

3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material aspects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of
KARNAVAT & CO.
Chartered Accountants
Firm Regn No. 104863W

(Shashikant Gupta)
Partner
Membership No. 45629

Place : Mumbai
Dated : May 13 , 2017

BALANCE SHEET
AS AT 31ST MARCH, 2017

(₹ in lacs)

	Notes	As at 31st March, 2017	As at 31st March, 2016
I. EQUITY AND LIABILITIES			
1 Shareholder's Funds			
Share Capital	2	**3,502.70**	3,502.70
Reserves and Surplus	3	**110,878.30**	105,099.80
		114,381.00	108,602.50
2 Non-Current Liabilities			
Long Term Borrowings	4	**50,083.33**	10,168.33
Other Non Current Liabilities	5	**163.61**	238.45
Long Term Provisions	6	**23.32**	-
		50,270.26	10,406.78
3 Current Liabilities			
Short Term Borrowings	7	**7,869.13**	1,156.44
Trade Payables	8	**206.94**	115.64
Other Current Liabilities	5	**21,053.82**	8,983.78
Short Term Provisions	6	**683.62**	1,123.27
		29,813.51	11,379.13
Total		**194,464.77**	130,388.41
II. ASSETS			
1 Non-current assets			
Fixed assets			
Tangible Assets	9	**1,012.39**	402.89
Intangible Assets	9	**232.23**	369.90
Capital WIP		**26.72**	-
		1,271.34	772.79
Non Current Investments	10	**4,078.09**	4,027.09
Deferred Tax Assets (Net)	11	**86.56**	39.30
Long Term Loans and Advances	12	**156,242.57**	92,411.33
Other Non-Current Assets	13	**429.81**	17.63
		160,837.03	96,495.35
2 Current assets			
Current Investments	10	**4,000.00**	8,250.00
Trade Receivables	14	**625.29**	811.66
Cash and Bank Balances	15	**992.17**	1,643.72
Short Term Loans and Advances	12	**25,065.24**	15,830.67
Other Current Assets	13	**1,673.70**	6,584.22
		32,356.40	33,120.27
Total		**194,464.77**	130,388.41

Significant Accounting Policies

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date attached
For and on behalf of
KARNAVAT & CO.
Chartered Accountants
Firm Regn. No. 104863W

(Shashikant Gupta)
Partner
Membership No. 45629

Place: Mumbai
Date: 13th May, 2017

For and on behalf of the Board of Directors

Quintin E. Primo III
Non-executive Chairman
DIN 06600839

Sunil Kapoor
Executive Director
DIN 01436404

Rajesh Sharma
Director
DIN 00020037

Bhagyam Ramani
Independent Director
DIN 00107097

Beni Prasad Rauka
Independent Director
DIN 00295213

T. R. Bajalia
Independent Director
DIN 02291892

Gaurang Shah
Associate Director
Finance & Accounts

Harish Agrawal
Senior Vice President &
Company Secretary

Place: Mumbai
Date: 13th May, 2017

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in lacs)

		Notes	Year ended 31st March, 2017	Year ended 31st March, 2016
I.	**INCOME**			
	Revenue from Operations	16	**23,075.35**	18,638.83
	Other Income	17	**92.18**	16.36
	TOTAL REVENUE		**23,167.53**	18,655.19
II.	**EXPENSES**			
	Employee Benefit Expenses	18	**5,279.52**	3,240.21
	Finance Costs	19	**3,796.34**	1,177.73
	Depreciation and Amortization Expenses	20	**419.38**	332.16
	Loan Provisions/Write off (Net of Provisions)	21	**1,368.94**	6,872.30
	Other Expenses	22	**2,783.84**	1,820.81
	TOTAL EXPENSES		**13,648.01**	13,443.21
III.	**Profit before Exceptional Items and Tax**		**9,519.52**	5,211.98
	Less: Exceptional Items		**-**	-
IV.	**Profit before Tax**		**9519.52**	5211.98
	Less: Tax Expenses			
	Current Tax		**3,782.00**	1,470.00
	Deferred Tax		**(47.25)**	(14.31)
	Earlier years adjustments		**6.28**	(364.20)
			3,741.03	1,091.49
V.	**Profit for the period**		**5,778.49**	4120.49
	Earnings per Equity Share Before Exceptional Items	29		
	(Nominal Value of share Rs.2/- each)			
	Basic		**3.30**	2.35
	Diluted		**3.30**	2.35
	Earnings per Equity Share After Exceptional Items	29		
	(Nominal Value of share Rs.2/- each)			
	Basic		**3.30**	2.35
	Diluted		**3.30**	2.35
Significant Accounting Policies		1		

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date attached
For and on behalf of
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(Shashikant Gupta)
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DIN 02291892

Gaurang Shah
Associate Director
Finance & Accounts

Harish Agrawal
Senior Vice President &
Company Secretary

Place: Mumbai
Date: 13th May, 2017

CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lacs)

Particulars		Year Ended 31-03-2017	Year Ended 31-03-2016
(A)	**Cash Flow From Operating Activities and Exceptional Items**		
	Profit Before Taxation	**9,519.52**	5,211.98
	Add/(Less):		
	Depreciation	**419.38**	332.16
	(Profit)/Loss on Sale of Fixed Assets	**0.89**	1.71
	Bad Debts Written Off	**-**	6,593.77
	Provision for Standard Assets	**353.44**	85.60
	Floating Provision Against Standard Asset	**937.85**	207.68
	Provision for Restructured Standard Asset	**(44.82)**	(63.87)
	Provision for Sub-Standard Assets	**122.47**	49.12
	Operating Profit before exceptional items	**11,308.74**	12,418.15
	Add: Exceptional Items	**-**	-
	Operating Profit before working capital changes	**11,308.74**	12,418.15
	Movements in Working Capital		
	(Increase)/Decrease in Trade & Other Receivables	**(70,431.50)**	(22,786.58)
	(Increase)/Decrease in Stock-in-trade	**-**	2,354.47
	Increase/(Decrease) in Trade & Other Payables	**12,302.53**	3,655.39
	Cash Flow generated from/(used in) Operating Activities	**(46,820.24)**	(4,358.55)
	Less:- Direct Taxes Paid	**(3,106.83)**	(2,743.51)
	Net Cash generated from/(used in) Operating Activities (A)	**(49,927.07)**	(7,102.06)
(B)	**Cash Flow From Investing Activities**		
	Purchase of Fixed Assets	**(919.81)**	(306.70)
	Sale of Fixed Assets	**1.00**	10.02
	(Increase)/Decrease in Investments	**4,199.00**	(844.65)
	Encashment of Fixed Deposit	**-**	1,200.00
	Net Cash Flow generated from/(used in) Investing Activities (B)	**3,280.19**	58.67
(C)	**Cash Flow From Financing Activities**		
	Increase/(Decrease) in Borrowings	**46,627.69**	7,574.77
	Dividend Paid	**(525.40)**	(525.40)
	Dividend Distribution Tax Paid	**(106.96)**	(106.96)
	Increase in Share Capital	**-**	-
	Net Cash Flow generated from/(used in) Financing Activities (C)	**45,995.33**	6,942.40
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**(651.56)**	(100.99)
	Cash & Cash Equivalents at the beginning	**1,643.72**	1,740.78
	Cash & Cash Equivalents acquired on Merger	**-**	3.93
	Cash & Cash Equivalents at the end	**992.17**	1,643.72

Notes:

(₹ in lacs)

	Year Ended 31-03-2017	Year Ended 31-03-2016
1. Cash and Cash equivalents		
Cash in hand	**2.51**	11.26
Balance with banks:		
In Current Accounts	**988.37**	1,374.74
In Unpaid Dividend Account	**1.29**	0.89
Current maturities of fixed deposits with Original Maturity of Less than 3 Months	**-**	256.83
Total	**992.17**	1,643.72

2. Cash flows arising on account of taxes on income are not specifically bifurcated with respect to investing & financing activities.
3. Previous year's figures have been regrouped, wherever necessary to confirm to current year's classification.
4. Figures in brackets represent outflows.

As per our report of even date attached
For and on behalf of
KARNAVAT & CO.
Chartered Accountants
Firm Regn. No. 104863W

(Shashikant Gupta)
Partner
Membership No. 45629

Place: Mumbai
Date: 13th May, 2017

For and on behalf of the Board of Directors

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DIN 02291892

Gaurang Shah
Associate Director
Finance & Accounts

Harish Agrawal
Senior Vice President &
Company Secretary

Place: Mumbai
Date: 13th May, 2017

1. Significant Accounting Policies

1.1 Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) to comply with the accounting standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 and guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non Banking Finance Company. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

1.2 Use of Estimates:

Presentation and Disclosure of Financial Statement

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, 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.

1.3 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. The following specific recognition criteria are met before revenue is recognized:

a) Sale of Traded Goods

Revenue from sale of traded goods is recognized when all the significant risks and rewards of ownership of the traded goods have been passed to the buyer.

b) Income from Advisory Services

Income from Advisory Services are accounted for as and when the relevant services are rendered and revenue is recognised using completed service contract method except where the recovery is uncertain in which case it is accounted for on receipt.

c) Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Revenue from Operations" in the statement of profit and loss. Delayed Payment charges, Penal Interest, Other Penal Charges, etc., are recognised on receipt basis on account of uncertainty of the ultimate collection of the same. Further, in accordance with the guidelines issued by the Reserve Bank of India for Non-Banking Finance Companies, income on business assets classified as Non-performing Assets, is also recognised on receipt basis.

d) Dividends

Dividend income is recognized when the company's right to receive dividend is established on the reporting date.

1.4 Inventories

The inventories held as stock-in-trade under current assets are valued at lower of cost or market value.

1.5 Cash and Cash Equivalents

Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less, as per Accounting Standard 3 "Cash Flows".

1.6 Tangible Fixed Assets

Tangible Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to it's working condition for it's intended use.

1.7 Depreciation on Tangible Fixed Assets

The Company has worked depreciation with reference to the Useful life of Fixed Assets prescribed by the PART C of Schedule II to the Act. The carrying values have been depreciated over the remaining useful life of the Asset using Written Down Value Method and the same is recognised in the Statement of Profit and Loss.

1.8 Intangible Assets

Intangible Assets are stated at cost less accumulated amortisation and impairment losses, if any. The cost of intangible assets comprises purchase price and any attributable cost of bringing the asset to it's working condition for it's intended use. Intangible assets are amortized over the useful life on prorata basis under the straight line method as estimated by the management, which is generally between three to five years.

1.9 Impairment of Tangible and Intangible Assets:

The carrying amount of assets is 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 assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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.

1.10 Foreign Currency Translation

a) Foreign Currency Transactions and Balances

(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. Exchange differences, if any, arising out of transactions settled during the year are recognised in the statement of profit and loss.

(ii) Conversion

Monetary assets and liabilities denominated in the foreign currencies as at the Balance Sheet date are translated at the closing exchange rates on that date. The exchange differences, if any, are recognised in the statement of profit & loss and related assets and liabilities are accordingly restated in the Balance Sheet.

1.11 Investments

Investments which are readily realizable and intended to the 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.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. 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. In case of investments in mutual funds, the net asset value of units declared by the mutual funds is considered as the fair 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.

1.12 Retirement and other employee benefits

The Company has adopted the revised Accounting Standard 15 – Accounting for Employee Benefits. The accounting policy followed by the Company in respect of its employee benefit schemes is set out below:

Gratuity:

The Company has funded Defined Benefit Obligation Plan for gratuity to its employees, who have completed five years or more of service, under the group gratuity scheme of Life Insurance Corporation (LIC) of India & to HDFC Standard Life Insurance Company. The Company has created planned assets by contribution to the gratuity fund with LIC of India & HDFC Standard Life Insurance Company Limited.

Leave Encashment:

Provision for Leave Encashment is made on the basis of Actuarial Valuation.

1.13 Employee stock Compensation Cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

1.14 Commercial Papers

Commercial paper is recognised at redemption value. The difference between redemption value and issue value is amortised on a time basis and is disclosed under finance charges.

1.15 Leases

Where the Company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, 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 lease term.

1.16 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – Earning per Share. Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The Weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share spilt, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss 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.

1.17 Taxes on Income

Income tax expenses comprises of current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) & the deferred tax charge or benefit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

Deferred Taxation:

The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognised using the tax rates that have been enacted or substantially enacted as at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

1.18 Provisions

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amounts of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

1.19 Contingent Liabilities / Assets

A contingent liabilities is a possible obligation that arise 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.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will rise, asset and related income are recognised in the period in which the change occurs.

2. Share Capital

(₹ in lacs)

	31-03-2017	31-03-2016
AUTHORIZED SHARES		
36,00,00,000 (31 Mar 2016: 7,20,00,000) Equity Shares of Rs. 2/- (31 Mar 2016 Rs. 10/-) each	**7,200.00**	7,200.00
	7,200.00	7,200.00
ISSUED, SUBSCRIBED AND FULLY PAID UP SHARES		
17,51,34,805 (31 Mar 2016: 3,50,26,961) Equity Shares of Rs.2/- (31 Mar 2016 Rs. 10/-) Each fully paid up	**3,502.70**	3,502.70
Total	**3,502.70**	3,502.70

2.1 Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period :

	31-03-2017		31-03-2016	
EQUITY SHARES:	**Nos.**	**Rs. In Lacs**	**Nos.**	**Rs. In Lacs**
At the beginning of the period	**35,026,961**	**3,502.70**	35,026,961	3,502.70
Addition due to split of shares in ratio 1:5	**140,107,844**	**-**		
Issued during the period - Warrant Conversion	**-**	**-**	-	-
Issued during the period - ESOP	**-**	**-**	-	-
Outstanding at the end of the period	**175,134,805**	**3,502.70**	35,026,961	3,502.70

Note : During the year shares were split in the ratio of 1:5 and accordingly the Face Value of shares is now Rs. 2/- per share

2.2 Terms/Rights attached to equity shares:

The company has only one class of equity share having a par value of Rs. 2/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2017, the Board of Directors at its meeting held on 13th May, 2017 has recommended a dividend of Re. 0.30/- on face value of Rs. 2/- per share (31st March, 2016 Rs.1.50/- on face value of Rs .10/- per share).

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be proportional to the number of equity shares held by the shareholders.

2.3 Details of shareholders holding more than 5% share in the company
Equity Shares of Rs. 2/- (31 March 2016 Rs. 10/-) each fully paid up:

	31-03-2017		31-03-2016	
Name of Shareholder	**NOS.**	**%**	**Nos.**	**%**
Capri Global Holdings Pvt. Ltd.	**66,040,395**	**37.71**	13,208,079	37.71
Mr. Rameshchandra Sharma	**43,764,930**	**24.99**	8,752,986	24.99
Capri Global Advisory Services Pvt. Ltd.	**17,517,060**	**10.00**	3,503,412	10.00

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

3. Reserve and Surplus

	31-03-2017	31-03-2016
3.1 Securities premium account		
Balance as per the last financial statements	**44,710.06**	44,710.06
Closing Balance	**44,710.06**	44,710.06
3.2 General Reserve		
Balance as per the last financial statements	**5,970.53**	3,860.00
Add: Pursuant to the Scheme of merger of Subsidiaries	**-**	1,800.53
Add: Amount transferred from surplus balance in the statement of profit and loss	**450.00**	310.00
Closing Balance	**6,420.53**	5,970.53

		31-03-2017	31-03-2016
3.3	**Surplus / (Deficit) in the Statement of Profit and Loss**		
	Balance as per the last Financial Statements	**41,559.21**	39,231.08
	Profit for the year :	**5,778.49**	4,120.49
	Less: Appropriations		
	Proposed Dividend (Amount per share Nil (31 March 2016 : Rs. 1.50/-))	**-**	525.40
	Tax on Proposed Dividend	**-**	106.96
	Transfer to Reserve Fund under Section 45 I C(1) of Reserve Bank of India Act,1934	**1,160.00**	850.00
	Transfer to General Reserve	**450.00**	310.00
	Net surplus in the Statement of Profit and Loss	**45,727.70**	41,559.21
3.4	**Reserve Fund as per Section 45 I C(1) of Reserve Bank of India Act, 1934**		
	Balance as per the last Financial Statements	**12,860.00**	12,010.00
	Add: Amount transferred from surplus balance in the Statement of Profit and Loss	**1,160.00**	850.00
	Closing Balance	**14,020.00**	12,860.00
	Total Reserves and Surplus	**110,878.30**	105,099.80

4. Long Term Borrowings

(₹ in lacs)

	31-03-2017	31-03-2016
Secured		
Term Loans from Banks	**42,583.33**	10,168.33
Non Convertible Debentures	**7,500.00**	-
	50,083.33	10,168.33

Note :

a) The above term loans are secured against the Paripasu Charge on the Standard Identified Receivables of MSME, Retails Credit assets and Wholesale Credit Assets of the Company.

Name of Bank	Facility amount	Repayment schedule	Floating Interest Rate
Term Loan from Bank of Maharashtra	5,000.00	Repayable in 12 quarterly instalments started from Sep. 2015	9.60 %
Term Loan from Bank of Maharashtra	20,000.00	Repayable in 12 quarterly instalments starting from Mar. 2017	9.60 %
Term Loan from Andhra Bank	3,000.00	Repayable in 12 quarterly instalments starting from Nov. 2016	10.25 %
Term Loan from Andhra Bank	3,000.00	Repayable in 12 quarterly instalments starting from May 2017	10.25 %
Term Loan from Andhra Bank	5,000.00	Repayable in 12 quarterly instalments starting from Mar. 2018	10.25 %
Term Loan from Bank of India	2,500.00	Repayable in 12 quarterly instalments starting from Dec. 2016	10.25 %
Term Loan from Bank of India	5,000.00	Repayable in 12 quarterly instalments starting from Jan. 2018	10.25 %
Term Loan from Vijaya Bank	5,000.00	Repayable in 12 quarterly instalments starting from May 2017	10.25 %
Term Loan from Vijaya Bank	7,500.00	Repayable in 12 quarterly instalments starting from Dec. 2017	10.25 %
Term Loan from Vijaya Bank	5,000.00	Repayable in 12 quarterly instalments starting from June 2018	9.35 %
Term Loan from UBI Bank	10,000.00	Repayable in 12 quarterly instalments starting from May 2018	9.60 %
Term Loan from OBC Bank	5,000.00	Repayable in 12 quarterly instalments starting from June 2018	9.85 %

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2017

b) Particulars of Secured Redeemable Non-Convertible Debentures :-

Particulars	"Amount (Rs. In Lakhs)"	Date of Allotment	Interest rate % p.a	Date of Redemption	Redeemable term
"Series I Tranche I * (FV Rs.10 Lacs)"	1000	20.01.2017	10.50 %	20.01.2020	Redeemable at par after expiry of 3 years.
"Series I Tranche II (FV Rs.10 Lacs)"	5000	17.02.2017	9.50 %	17.02.2020	Redeemable at par after expiry of 3 years.
"Series I Tranche III (FV Rs.10 Lacs)"	1500	07.03.2017	10.25 %	07.03.2019	Redeemable at par after expiry of 2 years.

*These Debentures have tenure of 3 years subject to call/put option with the lender/investor to be exercised at the end of 2 years from the date of issue.

5. Other Liabilities:

	Non-Current		Current	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Current Maturities of Long-term Borrowings (Refer Note: 4)	-	-	14,833.34	2,791.67
Temporary overdrawn balance as per books.	-	-	5,832.13	5,465.85
Other Payables				
Audit fees Payable	-	-	8.14	8.04
Provident Fund, NSC & ESIC Payable	-	-	20.40	5.32
Employee Profession Tax Payable	-	-	0.66	0.39
TDS Payable	-	-	91.60	59.96
Margin Money	163.61	238.45	101.36	62.00
Unpaid Dividend	-	-	1.29	0.89
Interest accrued but not due on borrowings	-	-	86.91	-
Others	-	-	78.00	589.66
Total	163.61	238.45	21,053.82	8,983.78

6. Provisions

(₹ in lacs)

	Long Term		Short Term	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
6.1 Provisions for employee benefits:				
Salary and Reimbursements	-	-	19.64	9.31
Bonus	-	-	300.00	250.00
Provision for Gratuity	-	-	18.86	3.79
Leave encashment payable	23.32	-	5.83	11.32
6.2 Others:				
Proposed Dividend	-	-	-	525.40
Provision for Dividend Distribution Tax	-	-	-	106.96
Provision for expenses	-	-	339.30	216.49
Total	23.32	-	683.62	1,123.27

7. Short Term Borrowings

(₹ in lacs)

	31-03-2017	31-03-2016
Secured		
Loans repayable on demand from Banks		
Credit from Union Bank of India	**2,834.57**	1,156.44
Overdraft facility from Axis Bank	**34.56**	-
Unsecured		
Commercial papers	**5,000.00**	-
Total	**7,869.13**	1,156.44

Note :
The Company has the Cash Credit limit of Rs. 5,000 Lacs. (31 March 2016 Rs. 5000 Lacs) against the Paripasu Charge on the Standard Identified Receivables of MSME, Retails Credit assets and Wholesale Credit Assets of the Company.

8. Trade Payable

(₹ in lacs)

	31-03-2017	31-03-2016
Trade Payables (Including acceptances)		
-Due to Others	**206.94**	115.64
Total	**206.94**	115.64

9. Fixed Assets

(₹ in lacs)

	Life	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK	
		Cost as at 01.04.2016	Additions	Disposals/ adjustments	Cost as at 31.03.2017	As at 01.04.2016	For the Period	Adjustment on Disposals	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
a) Tangible Assets											
Buildings (Leasehold Premises)	10 years	-	128.98	-	**128.98**	-	5.58	-	**5.58**	**123.40**	-
Building (Flats)	60 years	-	27.00	-	**27.00**	-	0.03	-	**0.03**	**26.98**	-
Computers	3 Yrs. / 6 Yrs.	295.49	124.64	12.83	**407.30**	212.52	93.77	12.00	**294.29**	**113.02**	82.97
Furniture and Fixtures	10 years	210.83	278.88	-	**489.71**	135.08	34.33	-	**169.41**	**320.31**	75.75
Office Equipments	5 years	129.89	128.12	16.65	**241.36**	94.69	31.80	15.70	**110.79**	**130.58**	35.20
Electric Installation	10 years	29.08	89.04	-	**118.12**	22.52	6.08	-	**28.60**	**89.52**	6.57
Vehicles	8 years	382.21	83.93	0.53	**465.61**	179.81	77.62	0.42	**257.01**	**208.60**	202.40
Current Year		**1,047.50**	**860.60**	**30.01**	**1,878.09**	**644.62**	**249.21**	**28.12**	**865.70**	**1,012.39**	**402.89**
Previous Year		826.07	280.30	58.87	**1,047.50**	552.89	138.87	47.14	**644.62**	**402.89**	
b) Intangible Assets											
Software		188.72	32.50	-	**221.21**	148.33	29.00	-	**177.34**	**43.88**	40.38
Royalty		705.40	-	-	**705.40**	375.88	141.17	-	**517.05**	**188.35**	329.52
Current Year		**894.12**	**32.50**	**-**	**926.61**	**524.22**	**170.17**	**-**	**694.39**	**232.23**	**369.90**
Previous Year		867.72	26.40	-	**894.12**	330.93	193.29	-	**524.22**	**369.90**	

Notes :

a) Software are amortized on pro rata basis using straight line method over the useful life estimated by the management which is three years.

b) Royalty is amortized on pro-rata basis using straight line method over the useful life estimated by the management which is five years.

c) Amortization of software :

Year of Acquisition	Cost	Amortized		Balance to be amortized	
		No. of years*	Amount	No. of years*	Amount
2010-11	13.31	3	13.31	-	-
2011-12	3.44	3	3.44	-	-
2012-13	19.39	3	19.39	-	-
2013-14	810.47	2	622.11	1	188.35
2014-15	21.11	3	18.45	-	2.66
2015-16	26.40	2	12.46	1	13.94
2016-17	32.49	1	5.22	2	27.27
Total	**926.61**		**694.38**		**232.23**

*** Period of amortization of less than 6 months is not considered in the number of years column.**

10 Investments

(₹ in lacs)

		Non-Current		Current	
		31-03-2017	31-03-2016	31-03-2017	31-03-2016
10.1	**Trade Investments, Unquoted (valued at cost unless stated otherwise)**				
	Investment in equity shares of Subsidiaries:				
	2,50,00,000 (31 March 2016 :2,50,00,000) Equity Share of Rs. 10/- each fully paid up of Capri Global Housing Finance Limited	2,500.00	2,500.00	-	-
	5,50,000 (31 March 2016 : 50,000) Equity Share of Rs. 10/- each fully paid up of Capri Global Resources Private Limited	55.00	5.00	-	-
	10,000 (31 March 2016 : Nil) Equity Share of Rs. 10/- each fully paid up of Capri Global Asset Reconstruction Private Limited	1.00	-	-	-
		2,556.00	2,505.00	-	-
10.2	**Non-Trade Investments, Quoted (valued at cost unless stated otherwise)**				
	Investment in Equity Shares:				
	2,08,000 (31 March 2016 : 2,08,000) CARE Equity Shares of Rs.10 each fully paid -up	1,522.09	1,522.09	-	-
		1,522.09	1,522.09	-	-
10.3	**Non-trade Investments , Unquoted**				
	(valued at cost unless stated otherwise)				
	Investment in Mutual Funds				
	Nil (31 March 2016 : 36,55,137.75) units of Rel. Floating Rate STP(Dir Growth Dir Plan)	-	-	-	800.00
	Nil (31 March 2016 : 51,187.07) units of Rel. Liquid Fund Cash Fund Plan-DG-Inv.	-	-	-	1,250.00
	Nil (31 March 2016 : 63,08,966.30) units of Reliance Medium Term Fund-Inv	-	-	-	2,000.00
	Nil (31 March 2016 : 5,35,494.11) units of ICICI PRU Liquid Fund D-G-Invt	-	-	-	1,200.00
	Nil (31 March 2016 : 2,78,02,353.54) units of Rel. Banking & PSU Dir-Growth-Investment	-	-	-	3,000.00
	574194.549 (31 March 2016 : Nil) units of BSL-Cash Plus -Direct Growth	-	-	1,500.00	-
	37,472.399 (31 March 2016 : Nil) units of Kotak Mahindra MF	-	-	1,000.00	-
	43,74,874.222 (31 March 2016 : NIl) units of Sundaram MF	-	-	1,500.00	-
		-	-	4,000.00	8,250.00
	Total	4,078.09	4,027.09	4,000.00	8,250.00
	Aggregate amount of Unquoted Investments				
	In Equity Shares	2,556.00	2,505.00	-	-
	In Mutual Funds	-	-	4,000.00	8,250.00
	Aggregate amount of Quoted Investments				
	In Equity Shares	1,522.09	1,522.09	-	-
	Market value of Quoted investments	3,520.82	1,939.29	-	-

11. Deferred Tax Assets/(Liabilities) Net

(Disclosure as per AS-22 "Accounting for Taxes on Income")

(₹ in lacs)

	31-03-2017	31-03-2016
Deferred Tax Assets		
Timing difference on account of :		
Excess of WDV of the assets as per Income Tax Act, 1961 over the Financial Books.	**76.47**	39.30
Provision for Leave Encashment	**10.09**	-
Deferred Tax Assets/(Liabilities) Net	**86.56**	39.30

12. Loans and Advances

(₹ in lacs)

		NON-CURRENT		CURRENT	
		31-03-2017	31-03-2016	31-03-2017	31-03-2016
12.1	**Capital Advances**				
	Unsecured, considered good	**1,108.97**	1,352.35	**851.02**	320.60
		1,108.97	1,352.35	**851.02**	320.60
12.2	**Deposits**				
	Unsecured, considered good				
	Security deposit	**248.86**	44.86	**34.35**	42.30
		248.86	44.86	**34.35**	42.30
12.3	**Other Loans and Advances**				
	Income Tax Deposits (Net of provision for taxation)	**871.08**	1,552.51	**-**	-
	Other Advances	**-**	-	**4.19**	3.29
	Prepaid Expenses	**21.91**	17.95	**92.21**	27.45
	Loans to Employees	**81.02**	61.96	**54.50**	25.06
	Advances Recoverable in cash or kind (Secured, Considered good)	**155,717.10**	89,959.62	**24,228.97**	15,534.90
	Loan to Subsidiary Company (Unsecured)	**-**	-	**26.50**	-
		156,691.11	91,592.04	**24,406.37**	15,590.70
	Less : Contingent Provision against Standard Assets	**(771.98)**	(443.53)	**(118.19)**	(74.61)
	Less : Provision for Standard Restructured Assets	**-**	(25.00)	**(21.96)**	(21.76)
	Less : Floating Provision Against Standard Asset	**(847.98)**	-	**(57.57)**	-
	Less : Provision for Non Performing Assets	**(186.41)**	(109.39)	**(28.78)**	(26.56)
		154,884.74	91,014.12	**24,179.87**	15,467.77
	Total	**156,242.57**	92,411.33	**25,065.24**	15,830.67
	Note :				
	Income Tax Deposits (Net of provisions) comprises of :				
	Income Tax Deposits	**15,354.26**	12,253.69		
	Less: Provision for Income Tax	**(14,483.18)**	(10,701.18)		
		871.08	1,552.51		

(₹ in lacs)

	Non-Current		Current	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
13. Other Assets				
Interest accrued but not due on Loans	-	2.00	1,083.60	4,730.31
Interest accrued but not due on FD and Bonds	-	-	15.89	106.41
Fixed Deposits with original maturity for more than 12 months	-	15.63	-	-
Current Maturities of Fixed Deposits with original maturity for more than 12 months	-	-	515.63	1,700.00
Asset held for Sale	429.81	-	-	-
Inventory of Gift Items	-	-	60.91	60.91
Service Tax Receivables	-	-	19.34	10.24
Less : Contingent Provision against Standard Assets	-	-	(5.42)	(23.65)
Less : Floating Provision Against Standard Asset	-	-	(16.25)	-
Total	429.81	17.63	1,673.70	6,584.22

Note :
Fixed Deposits of Rs. Nil (31 March 2016 Rs. 15.63 Lacs) have been pledged as security for Bank Guarantee.
Fixed Deposits of Rs. 500.00 Lacs (31 March 2016: Rs. 1200 Lacs) have been pledged as security for overdraft facility from bank.

(₹ in lacs)

	31-03-2017	31-03-2016
14. Trade receivables:		
Secured, considered good		
Outstanding for a period exceeding six months from the due date of payment	181.41	42.43
Outstanding for a period less than six months	494.56	797.04
Less : Contingent Provision against Standard Assets	(1.60)	(1.95)
Less : Provision for Standard Restructured Assets	-	(20.01)
Less : Provision for Non Performing Assets	(49.08)	(5.85)
Total	625.29	811.66

15. Cash and Bank Balances

(₹ in lacs)

	31-03-2017	31-03-2016
15.1 Cash and Cash equivalents		
Cash in hand	2.51	11.26
Balance with banks:		
In Current Accounts	988.37	1,374.74
In Unpaid Dividend Account	1.29	0.89
Fixed deposits with Original Maturity of Less then 3 Months	-	256.83
	992.17	1,643.72

Note:
The details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are as below:-

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	61.83
-500	10.66	-	-
-1000	51.02	-	-
-Others	-	0.15	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	61.68	0.15	0.00
(+) Amount withdrawn from Banks	-	1.00	1.00
Closing cash in hand as on 30.12.2016	**-**	**1.00**	**1.00**

16. Revenue from Operations

(₹ in lacs)

		Year Ended 31-03-2017	Year Ended 31-03-2016
16.1	**Income from Traded Goods**		
	Sale of Government & Corporate Bonds	**-**	2,516.25
		-	2,516.25
	Less : Purchases	**-**	-
	Less : Opening Stock	**-**	2,354.47
		-	161.78
16.2	**Revenue From Financial Services**		
	Loan Processing Fees Received	**1,033.40**	694.98
		1,033.40	694.98
16.3	**Interest Income**		
	Interest on Loans given	**20,200.67**	15,640.19
	Interest on Bonds	**-**	74.79
	Interest on Bank Deposits	**93.15**	193.98
		20,293.82	15,908.96
16.4	**Other Operating Income**		
	Dividend Income	**58.24**	54.08
	Profit on sale of Investment	**777.42**	1,260.03
	Provisions no longer required, written back	**13.22**	52.04
	Bad Debts Recovered	**402.50**	-
	Foreclosure Fees Received	**299.09**	506.96
	Advertisement Income	**188.43**	-
	Other Income	**9.23**	-
		1,748.13	1,873.11
	Total Revenue from Operations	**23,075.35**	18,638.83
	16(i)Details of Traded Goods		
	Corporate Bonds	**-**	2,516.25
		-	2,516.25

17. Other Income

(₹ in lacs)

	Year Ended 31-03-2017	Year Ended 31-03-2016
Rent Received	7.33	16.29
Interest On Income Tax Refund	84.85	-
Other Income	-	0.07
Total	92.18	16.36

18. Employee Benefit Expenses

(₹ in lacs)

	Year Ended 31-03-2017	Year Ended 31-03-2016
Salaries, Wages and Bonus	4,952.83	3,040.41
Contribution to Provident Fund	102.74	55.86
Gratuity Expenses	67.46	33.77
Staff Welfare Expenses	156.49	110.17
Total	5,279.52	3,240.21

19. Finance Costs

(₹ in lacs)

	Year Ended 31-03-2017	Year Ended 31-03-2016
Interest Expense	3,496.99	967.78
Loan Processing Charges	174.32	209.95
Other Borrowing Costs	125.03	-
Total	3,796.34	1,177.73

20. Depreciation and Amortization Expenses

(₹ in lacs)

	Year Ended 31-03-2017	Year Ended 31-03-2016
Depreciation of Tangible Assets	249.21	138.87
Amortization of Intangible Assets	170.17	193.29
Total	419.38	332.16

21. Loan Provisions/Write off (Net of Provisions)

(₹ in lacs)

	Year Ended 31-03-2017	Year Ended 31-03-2016
Bad Debts Written Off (Net off Provision)	-	6,593.77
Contingent Provision against Standard Assets	353.44	85.60
Floating Provision Against Standard Asset	937.85	207.68
Provision for Restructured Standard Asset	(44.82)	(63.87)
Provision made for Non Performing Asset	122.47	49.12
Total	1,368.94	6,872.30

22. Other Expenses

(₹ in lacs)

	Year Ended 31-03-2017	Year Ended 31-03-2016
Advertisement Expenses	5.08	2.80
Loss On Sale Of Fixed Assets	0.89	1.71
Bank charges	5.20	7.49
Business Promotion Expenses	6.03	70.08
Computer Maintenance	7.85	3.92
Conveyance Expenses	118.80	58.57
Custodian Charges	2.14	1.61
Corporate Social Responsibility Expenses	196.70	232.07
Donation	11.22	1.18
Directors Sitting Fees	20.89	22.39
Filing & Other Fees to ROC	2.23	2.21
Electricity Charges	63.89	48.30
General Expenses	193.93	112.21
Insurance Charges	7.89	8.63
Legal Fees	187.63	51.37
Professional Fees	696.80	474.92
Listing Fees & Stock Exchange Fees	0.42	2.13
Meeting & Conference Expenses	19.60	21.07
Membership & Subscription	13.68	18.26
Motor Car Expenses	8.57	7.97
Payment to Auditors (as per details given below)	12.16	9.84
Printing & Stationery	52.76	44.32
Postage & Stamps	18.95	14.06
Rates & Taxes	0.06	0.30
Recruitment & Training Expenses	188.45	54.14
Rent Paid	544.27	332.77
Software Expenses	34.32	13.80
Sundry Balance Written off	12.28	6.46
Telephone and Internet Expenses	128.01	81.65
Travelling Expenses	223.14	114.57
Total	**2,783.84**	1,820.81
Payment to Auditors Include		
As Auditor		
Statutory Audit Fees	6.58	5.61
Audit Fees	1.75	1.45
Limited Review	1.93	1.47
In Other capacity		
Certification fees	1.90	1.31
	12.16	9.84

23. Gratuity and other post employment benefit plans (AS - 15)

The Company has an funded defined benefit obligation plan for gratuity under the Group Gratuity scheme of Life Insurance Corporation of India. The company has created plan assets by contributing to the Gratuity Fund with LIC Of India & to HDFC Standard Life Insurance Company.

The following tables summarise the components of the net employee benefit expenses recognised in the Statement of profit and loss, and the fund status and amount recognised in the balance sheet for the gratuity benefit plan.

A) Principal actuarial assumptions as at the balance sheet date:

	2016-17	2015-16
Mortality	Indian Assured Life Mortality (2006-08)	Indian Assured Life Mortality (2006-08)
Discount Rate	7.22%	7.96 %
Salary Escalation	5.00%	5.00 %
Employee Attrition Rate	10.00%	5.00 %

B) Changes in the present value of the defined benefit obligation are as follows:

(₹ in lacs)

	2016-17	2015-16
Liability at the beginning of the Year	94.85	67.49
Interest Cost	7.55	5.37
Current Service Cost	41.17	28.79
Liability Transferred In/Acquisitions	-	0.44
Liability Transferred Out/Divestment	(7.74)	
Past Service Cost (non vested benefit)	-	-
Past Service Cost (vested benefit)	-	-
Benefits paid	(4.33)	(9.02)
Actuarial (Gain)/Loss on Obligations - Due to change in Demographic Assumptions	4.49	
Actuarial (Gain)/Loss on Obligations - Due to change in Financial Assumptions	8.14	(0.10)
Actuarial (Gain)/Loss	17.27	1.88
Liability at the end of the Year	161.41	94.85

C) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

(₹ in lacs)

Particulars	2016-17	2015-16
Investments	91.06	59.50
Actual return on plan assets	7.25	4.73
Contributions	44.65	32.99
Assets Transferred In/Acquisitions	-	5.42
Benefits Paid	(4.33)	(9.02)
Actuarial Gain/(Loss) on plan assets	3.91	(2.56)
Fair value of plan assets at the end of the year	142.54	91.06

D) Amount Recognized in Balance Sheet

Provision for Gratuity

(₹ in lacs)

	2016-17	2015-16
Liability at the end of the Year	161.41	94.85
Fair Value of plan assets at the end of the year	142.54	91.06
Difference	(18.86)	(3.79)
Unrecognised past service cost	-	-
Unrecognised transition liability	-	-
Amount in Balance Sheet	(18.86)	(3.79)

E) Statement of Profit and Loss

Net Employee Benefit Expenses (recognised in employee cost)

(₹ in lacs)

	2016-17	2015-16
Current Service Cost	41.17	28.79
Interest on defined benefit obligation	0.30	0.64
Expected returns on plan assets	-	-
Net actuarial losses/(gains) recognised in the year	25.99	4.34
Past Service Cost	-	-
Actuarial (gain)/losses	-	-
Total included in employee benefit expense	67.46	33.77

Leave Encashment:

A) Actuarial assumptions as at the balance sheet date:

	2016-17	2015-16
Mortality	Indian Assured Life Mortality (2006-08)	Indian Assured Life Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.
Discount Rate	7.22%	7.96 %
Salary Escalation	5.00%	5.00 %
Employee Attrition Rate	10.00%	5.00 %
Expected Return on Plan Assets	N.A.	N.A.

B) Changes in the present value of the Projected Benefit Obligation are as follows:

(₹ in lacs)

	2016-17	2015-16
Liability at the beginning of the Year	11.32	-
Interest Cost	0.90	-
Current Service Cost	15.61	11.32
Past Service Cost (non vested benefit)	-	-
Past Service Cost (vested benefit)	-	-
(Liability Transferred out/Divestments)	(2.85)	
Benefits Paid Directly by the Employer	(3.60)	-
Actuarial (Gain)/Loss on Obligations - Due to change in Demographic Assumptions	2.34	
Actuarial (Gain)/Loss on Obligations - Due to change in Financial Assumptions	1.17	11.32
Actuarial (Gain)/Loss on Obligations - Due to Experience	4.26	(11.32)
Liability at the end of the Year	29.16	11.32

C) Amount Recognized in Balance Sheet
Provision for Leave Encashment

(₹ in lacs)

	2016-17	2015-16
Present Value of Benefit Obligation at the end of the Year	**29.16**	11.32
Fair Value of Plan assets at the end of the year	**-**	-
Funded Status (Surplus/(deficit))	**(29.16)**	(11.32)
Unrecognised past service cost at the end of the Year	**-**	-
Amount in Balance Sheet	**(29.16)**	(11.32)

D) Statement of Profit and Loss
Net Employee Benefit Expenses (recognised in employee cost)

(₹ in lacs)

	2016-17	2015-16
Current Service Cost	**15.61**	11.32
Net Interest Cost	**0.90**	-
Actuarial (gain)/losses	**7.77**	
Expected returns on plan assets	**-**	-
Net actuarial losses/(gains) recognised in the year	**-**	-
Past Service Cost	**-**	-
Total included in employee benefit expense	**24.29**	11.32

Note:
The Company has made provision of Leave Encashment amounting to Rs 24.29 Lacs (31 March 2016: 11.32 Lacs) for the employees who are at the rank of Associate Vice President and above.

Further, during the year, the Company has also paid for Leave Encashment amounting to Rs 58.49 Lacs (31 March 2016: 27.63 Lacs), for employees other than mentioned above, which is charged to the Statement of Profit & Loss.

24. Employee Stock Option Plan

The Company granted 18,50,000 Employee Stock Options (ESOP) under the Employee Stock Option Scheme 2009 (ESOP 2009) to employees spread over a period of 1 to 5 years. The details of which are as follows:

Financial Year in which options will vest	ESOPs equivalent to number of equity shares of face value of Rs 2/- each
2017-18	400,000
2018-19	400,000
2019-20	475,000
2020-21	475,000
2021-22	100,000

25. Segment Reporting (AS-17)

Primary Segment (Business Segment)

The Company operates mainly in the business segment of fund based financing activity. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the provisions of AS 17 on 'Segment Reporting'.

Secondary Segment (Geographical Segment)

The Company operates only in domestic markets. As a result separate segment information for different geographical segments is also not disclosed.

26. Disclosures as required by Accounting Standard (AS-18) 'Related Party Disclosures' in respect of transactions for the period are as under:

A. List of Related Parties over which control exists:

Sr. No.	Name of the Related Party	Relationship
i)	**Subsidiaries Companies**	
1	Capri Global Housing Finance Limited	Wholly owned Subsidiary
2	Capri Global Resources Private Limited	Wholly owned Subsidiary
3	Capri Global Asset Reconstruction Private Limited	Wholly owned Subsidiary
ii)	**Enterprises over which Management and/or their relatives have control**	
1	Money Matters Infrastructure Private Limited	
2	Parijat Properties Pvt. Ltd	
3	Dreamwork Media & Entertainment Pvt. Ltd	
4	Capri Global Holdings Pvt. Ltd	
5	Ramesh Chandra Sharma - HUF	
iii)	**Key Management Personnel**	
1	Mr. Sunil Kapoor	Executive Director
2	Mr. Quintin E. Primo III	Non-executive Chairman
3	Mr Harish Agrawal	Company Secretary

B) Details of transactions during the year end and closing balances as at the year end:

(₹ in lacs)

Sr. No.	Particulars	Subsidiaries		Enterprises over which Management and/or their relatives have control		Key Management Personnel		Total	
		Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2017	Year Ended March 31, 2016
a	Profit and Loss Account Items:								
	(I) Incomes:								
i	Rent Received	-	-	7.33	16.29	-	-	7.33	16.29
ii	Interest on Loan Given to Subsidiaries	0.48	-	-	-	-	-	0.48	-
iii	Fee Income from Subsidiary	3.25	-	-	-	-	-	3.25	-
	(II) Expenses								
i	Rent Paid	-	-	84.72	122.27	-	-	84.72	122.27
ii	Salaries, Commission and other benefits	-	-	-	-	180.28	165.63	180.28	165.63
iii	Director Sitting Fees	-	-	-	-	1.20	1.50	1.20	1.50
b	Balance Sheet Items:								
i	Recoverable Amount								
	a) Expenses incurred for related parties	0.30	-	-	-	-	-	0.30	-
	b) Reimbursement of Expenses/Income	10.88	-	-	-	-	-	10.88	
	c) Advances Received	-	-	-	305.00	-	-	-	305.00
	d) Advances Paid	-	-	-	305.00	-	-	-	305.00
	e) Loan to subsidiaries	26.50	-	-	-	-	-	26.50	-
c	Balance Sheet Items (Closing Balances):								
i	Investment in Equity Shares of Subsidiaries	51.00	-	-	-	-	-	51.00	-
ii	Loan Given to Subsidiary	26.50	-	-	-	-	-	26.50	-
iii	Interest Accrued but not due from Subsidiary	0.43	-	-	-	-	-	0.43	-
iv	Other Payable	10.59	-	-	-	-	-	10.59	-

Note : Related Party Disclosures are given by the Management and relied upon by the Auditors.

27. Leases (AS - 19)

Operating Leases :

The company has taken office premises & guest houses under operating lease and the leases are of cancellable/ non-cancellable in nature. The lease arrangement are normally renewable on expiry of the lease period at the option of the lessor/ lessee ranging from 3 to 10 years. Some of the lease agreements are having lock in period of six months to five years which are non-cancellable during that period. After the expiry of the lock in period, the lease agreement becomes cancellable in nature at the option of the lessor or the lessee by giving 1-3 months notice to the either party. There are no restrictions imposed by the lease agreement. There is no contingent rent in the lease agreement. There is escalation clause in some lease agreements. The future minimum lease payments in respect of the non cancellable lease are as follows :

(₹ in lacs)

Particulars	2016-2017	2015-2016
a) Payable not later than one year	**371.09**	133.08
b) Payable later than one year and not later than five years	**1,438.68**	95.06
c) Payable later than five years	**1,918.64**	-

The lease payments recognized in the Statement of Profit & Loss in respect of non-cancellable lease for the year are Rs. 141.40 Lacs (31 March 2016: Rs.98.20 Lacs).

The lease payments recognized in the Statement of Profit & Loss in respect of cancellable lease for the year are Rs. 346.64 Lacs (31 March 2016: Rs.232.62 Lacs).

The Company had sub-leased the office premises under operating lease for which lease income is recognized in the Statement of Profit & Loss for the year amounting to Rs. 7.33 Lacs (31 March 2016: Rs.16.29 Lacs).

28. Earnings Per Share (AS - 20)

Particulars			For Year Ended March 31, 2017	For Year Ended March 31, 2016
Net Profit after tax as per Statement of Profit and Loss	(A)	Rs. In Lacs	**5,778.49**	4,120.49
Weighted average number of equity shares for calculating Basic EPS	(B)	Nos.	**175,134,805**	175,134,805
Weighted average number of equity shares for calculating Diluted EPS	(C)	Nos.	**175,134,805**	175,134,805
Basic earnings per equity share (in Rupees) (Face value of Rs. 2/- per share)	(A)/(B)		**3.30**	2.35
Diluted earnings per equity share (in Rupees) (Face value of Rs. 2/- per share)	(A)/(C)		**3.30**	2.35

Particulars		For Year Ended March 31, 2017	For Year Ended March 31, 2016
Weighted average number of equity shares for calculating EPS	Nos.	**175,134,805**	175,134,805
Add : Equity shares arising on conversion of warrants	Nos.	**-**	-
Add : Equity shares for no consideration arising on grant of stock options under ESOP	Nos.	**-**	-
Weighted average number of equity shares in calculation of diluted EPS	Nos.	**175,134,805**	175,134,805

Note : During the year Company split its equity shares in the ratio of 1:5 and accordingly figures of previous year are restated.

29. The company believes that no impairment of assets arises during the year as per Accounting Standard - 28 "Impairment of Assets".

30. Contingent Liability: Nil

31. Capital and other commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.30.15 Lacs (31st March 2016 Rs. 2.92 Lacs)

b) Amount payable towards acquisition of Property: Rs. 1,763.85 Lacs (31st March 2016 Rs. 5,350.97)

c) Other Commitments

Pending disbursements of sanctioned loans Rs. 49,112.21 Lacs (31 March 2016 Rs. 20,501.08 Lacs)

32. Expenditure in Foreign Currency

Foreign Travelling Expenses	Rs. 31.06 Lacs (31 March 2016 : Rs. 24.77 Lacs)
Staff Welfare Expenses	Rs. 14.59 Lacs (31 March 2016 : NIL)
Director Sitting Fees	Rs. 1.20 Lacs (31 March 2016 : Rs. 1.50 Lacs)

33. Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

Based on the intimation received by the Company, none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, no disclosures relating to amounts unpaid as at the year end together with interest paid /payable are required to be furnished.

34. (a). Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial Company Annex I of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(₹ in lacs)

		Particulars	Amount O/S	Amount Overdue
		Liabilities Side		
1		Loans and advances availed by the non banking financial company inclusive of interest accrued thereon but not paid:		
	a)	Debentures:		
		Secured	**7,500.00**	-
		Unsecured	**-**	-
		(other than falling within the meaning of public deposits)		
	b)	Deferred Credits	**-**	-
	c)	Term Loans	**57,416.67**	-
	d)	InterCorporate loans and borrowings	**-**	-
	e)	Commercial Paper	**5,000.00**	-
	f)	Other Loans (Cash Credit & Overdraft Facility)	**2,869.13**	-
		Total	**72,785.80**	-

(₹ in lacs)

		Particulars	Amount Outstanding
		Assets Side	
2		Breakup of Loans and Advances including bills receivables (other than those included in (4) below):	
	a)	Secured	181,632.71
	b)	Unsecured	26.93

(₹ in lacs)

	Particulars				Amount Outstanding
3	Breakup of Leased Assets and stock on hire and other assets counting towards AFC activities				
	i)	Lease assets including lease rentals under sundry debtors:			
	a)	Financial Lease			-
	b)	Operating Lease			-
	ii)	Stock on hire including hire charges under sundry debtors:			
	a)	Assets on hire			-
	b)	Repossed Assets			-
	iii)	Other loans counting towards AFC activities			
	a)	Loans where assets have been repossessed			-
	b)	Loans other than (a) above			-
4	Breakup of Investments:				
	Current Investments:				
	1.	Quoted:			
		i)	Shares:	(a) Equity	-
				(b) Preference	-
		ii)	Debentures and Bonds		-
		iii)	Units of mutual funds		-
		iv)	Government Securities		-
		v)	Others (please specify)		-
			-	Certificate of Deposits	-
	2.	Unquoted:			
		i)	Shares:	(a) Equity	-
				(b) Preference	-
		ii)	Debentures and Bonds		-
		iii)	Units of mutual funds		4,000.00
		iv)	Government Securities		-
		v)	Others (please specify)		-
	Long Term investments:				
	1.	Quoted:			
		i)	Shares:	(a) Equity	1,522.09
				(b) Preference	-
		ii)	Debentures and Bonds		-
		iii)	Units of mutual funds		-
		iv)	Government Securities		-
		v)	Others (please specify)		-
	2.	Unquoted:			
		i)	Shares:	(a) Equity	2,556.00
				(b) Preference	-
		ii)	Debentures and Bonds		-
		iii)	Units of mutual funds		
		iv)	Government Securities		
		v)	Others (please specify)		

5. Borrower groupwise classification of assets financed as in (2) and (3) above:

Category		Amount net of Provisions		
		Secured	Unsecured	Total
1.	Related Parties			
	a) Subsidiaries		26.93	26.93
	b) Companies in the same group	-	-	-
	c) Other related parties	-	-	-
2.	Other than related parties	181,632.71	-	181,632.71
	Total	181,632.71	26.93	181,659.64

6. Investor groupwise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category		Market Value/Break up or fair value or NAV	Book Value (Net of Provisions)
1.	Related Parties		
	a) Subsidiaries	4,240.31	2,556.00
	b) Companies in the same group	-	-
	c) Other related parties	-	-
2.	Other than related parties	7,520.82	5,522.09
	Total	11,761.13	8,078.09

7. Other information

Particulars		Amount
i)	Gross Non Performing Assets	
	a) Related Parties	-
	b) Other than related parties	1,783.69
ii)	Net Non Performing Assets	
	a) Related Parties	-
	b) Other than related parties	1,519.42
iii)	Assets acquired in satisfaction of debt	429.81

34. (b) Schedule to the Balance Sheet of a Non-Banking Financial Company as required by Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(I) Disclosure for CRAR :-

CRAR	Items	As on March 31, 2017	As on March 31, 2016
i)	CRAR (%)	**52.97%**	79.72 %
ii)	CRAR - Tier I Capital (%)	**52.13%**	79.32 %
iii)	CRAR - Tier II Capital (%)	**0.84%**	0.40 %
iv)	Amount of subordinated debt raised as Tier-II	**Nil**	Nil
v)	Amount raised by issue of Perpetual Debt	**Nil**	Nil

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2017

(II) Exposures (₹ in lacs)

	Category	As on March 31, 2017	As on March 31, 2016
(A)	**Exposure to Real Estate Sector**		
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; (Individual housing loans up to Rs. 15 Lacs may be shown separately)	**19.28**	32.00
	ii) Commercial Real Estate -		
	"Lending secured by mortgages on commercial real estates(office buildings, retail space, multipurpose commercial premises, multi-family residential buldings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.)	**60,280.09**	37,020.93
	iv) Investments in Mortgage Backed Securities(MBS)		
	and other securitised exposures -		
	a. Residential	**Nil**	Nil
	b. Commercial Real Estate	**Nil**	Nil
b)	Indirect Exposure		
	Fund based and non-fund based exposure on National Housing Bank(NHB) and Housing Finance Companies(HFCs.)	**Nil**	Nil
(B)	**Exposure to Capital Market**		
	Category		
	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;	**1,522.09**	1,522.09
	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;	**Nil**	Nil
	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;	**Nil**	Nil
	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;	**Nil**	Nil
	v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	**Nil**	Nil
	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;	**Nil**	Nil
	vii) bridge loans to companies against expected equity flows / issues;	Nil	Nil
	viii) all exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
	Total Exposure to Capital Market	1,522.09	1,522.09
(C)	**Details of financing of parent company products**	Nil	Nil
(D)	**Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC**	Nil	Nil
(E)	**Unsecured Advances**	26.93	Nil

(III) Maturity Pattern of Assets & Liabilities as at March 31, 2017

(₹ in lacs)

	1 Day to 30/31 days(One Month)	Over one Month to 2 Months	Over 2 Months to 3 Months	Over 3 Months to 6 Months	Over 6 Months to 1 Year	Over 1 to 3 Years	Over 3 to 5 Years	Over 5 Years	Total
Liabilities									
Borrowing from Banks(Refer Note iii)	2,869.14	916.67	2,291.67	3,208.33	9,333.33	38,000.02	3,666.64	-	60,285.80
	-	-	(416.67)	(416.67)	(1,958.33)	(8,223.27)	(1,945.06)	-	(12,960.00)
Market Borrowings	-	5,000	-	-	-	7,500	-	-	12,500.00
	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Assets									
Advances	2,040.36	1,615.81	1,898.99	5,054.46	17,029.25	49,806.65	39,725.73	64,488.38	181,659.64
	(2,213.57)	(897.53)	(2,182.85)	(7,367.17)	(9,131.35)	(34,957.93)	(15,296.97)	(39,011.12)	(111,058.48)
Investments	4,000.00				1,522.09			2,556.00	8,078.09
	(5,000.00)	(3,250.00)	-	-	-	(1,522.09)	-	(2,505.00)	(12,277.09)
Foreign Currency assets	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-

Note :

i) Maturity pattern of the Investments are based on the Management's intention to hold them for a desired period.

ii) Figures of Previous years are given in brackets

iii) Borrowings from Banks includes cash credit and overdraft facility classified under upto 30 days maturity period which are generally availed as rollover facility.

35. Disclosures for Non Banking Financial Company as required by RBI as per Annex XII of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

i.	RBI Registration No.	B-13.01882
ii.	Ratings assigned by credit rating agencies and migration of ratings during the year;	A+ by Credit Analysis and Research
	Long Term Bank Facilities	A+ by Credit Analysis and Research upto 1000 Cr.
	Commercial Paper	A1+ by Credit Analysis and Research upto 200 Cr.
	Non-Convertible Debentures	A+ by Credit Analysis and Research upto 300 Cr.
iii.	Penalties, if any, levied by any regulator;	NIL
iv.	Information namely, area, country of operation and joint venture partners with regard to Joint ventures and overseas subsidiaries and	Country of Operation : India Joint Venture - NA

v. Asset-Liability profile, extent of financing of parent company products, NPAs and movement of NPAs, details of all off-balance sheet assignment transactions and other disclosures ;

Investments

(₹ in lacs)

Particulars	As on March 31, 2017	As on March 31, 2016
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	**8078.09**	12277.09
(b) Outside India,	**Nil**	Nil
(ii) Provisions for Depreciation		
(a) In India	**Nil**	Nil
(b) Outside India,	**Nil**	Nil
(iii) Net Value of Investments		
(a) In India	**8078.09**	12277.09
(b) Outside India.	**Nil**	Nil
(2) Movement of provisions held towards depreciation on investments.		
(i) Opening balance	**Nil**	Nil
(ii) Add : Provisions made during the year	**Nil**	Nil
(iii) Less: Write-off/write-back of excess provisions during the year	**Nil**	Nil
(iv) Closing balance	**Nil**	Nil

Derivatives

Forward Rate Agreement / Interest Rate Swap

(₹ in lacs)

Particulars	As on March 31, 2017	As on March 31, 2016
(i) The notional principal of swap agreements	**Nil**	Nil
(ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	**Nil**	Nil
(iii) Collateral required by the NBFC upon entering into swaps	**Nil**	Nil
(iv) Concentration of credit risk arising from the swaps $	**Nil**	Nil
(v) The fair value of the swap book @	**Nil**	Nil

Exchange Traded Interest Rate (IR) Derivatives

(₹ in lacs)

S. No.	Particulars	Amount
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year	Nil
(ii)	Notional principal amount of exchange trade IR derivatives outstanding as on 31st March 2017	Nil
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not “highly effective	Nil
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not “highly effective	Nil

Disclosures on Risk Exposure in Derivatives

Qualitative Disclosures

No disclosures are given since the Company does not have any Exposure in Derivative.

Quantitative Disclosures

(₹ in lacs)

Sr. No.	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)	**Nil**	Nil
	For hedging	**Nil**	Nil
(ii)	Marked to Market Positions [1]		
	a) Asset (+)	**Nil**	Nil
	b) Liability (-)	**Nil**	Nil
(iii)	Credit Exposure [2]	**Nil**	Nil
(iv)	Un-hedged Exposures	**Nil**	Nil

Disclosures relating to Securitisation

Outstanding amount of Securitised assets as per the books of the SPVs sponsored by the Company and Total amount of Exposure retained by the Company

(₹ in lacs)

Sr. No.	Particulars	As on March 31, 2017	As on March 31, 2016
1.	No. of SPVs sponsored by the NBFC for securitisation transactions	**Nil**	Nil
2.	Total amount of securitised assets as per books of the		
	SPVs sponsored	**Nil**	Nil
3.	Total amount of exposures retained by the Company		
	to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	First loss	**Nil**	Nil
	Others	**Nil**	Nil
	b) On-balance sheet exposures		
	First loss	**Nil**	Nil
	Others	**Nil**	Nil
4.	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	First loss	**Nil**	Nil
	Loss	**Nil**	Nil
	ii) Exposure to third party securitisations		
	First loss	**Nil**	Nil
	Others	**Nil**	Nil
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	**Nil**	Nil
	Others	**Nil**	Nil
	ii) Exposure to third party securitisations		
	First loss	**Nil**	Nil
	Others	**Nil**	Nil

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Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

(₹ in lacs)

Particulars		As on March 31, 2017	As on March 31, 2016
(i)	No. of accounts	**Nil**	Nil
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	**Nil**	Nil
(iii)	Aggregate consideration	**Nil**	Nil
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	**Nil**	Nil
(v)	Aggregate gain / loss over net book value	**Nil**	Nil

Details of Assignment transactions undertaken by NBFCs

(₹ in lacs)

Particulars		As on March 31, 2017	As on March 31, 2016
(i)	No. of accounts	**Nil**	Nil
(ii)	Aggregate value (net of provisions) of accounts sold	**Nil**	Nil
(iii)	Aggregate consideration	**Nil**	Nil
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	**Nil**	Nil
(v)	Aggregate gain / loss over net book value	**Nil**	Nil

Details of non-performing financial assets purchased / sold

A. Details of non-performing financial assets purchased :

(₹ in lacs)

Particulars			As on March 31, 2017	As on March 31, 2016
1.	(a)	No. of accounts purchased during the year	**Nil**	Nil
	(b)	Aggregate outstanding	**Nil**	Nil
2.	(a)	Of these, number of accounts restructured during the year	**Nil**	Nil
	(b)	Aggregate outstanding	**Nil**	Nil

B. Details of Non-performing Financial Assets sold :

(₹ in lacs)

Particulars		As on March 31, 2017	As on March 31, 2016
1.	No. of accounts sold	**Nil**	Nil
2.	Aggregate outstanding	**Nil**	Nil
3.	Aggregate consideration received	**Nil**	Nil

Provisions and Contingencies

(₹ in lacs)

Particulars	As on March 31, 2017	As on March 31, 2016
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss		
Provisions for depreciation on Investment	**Nil**	Nil
Provision towards NPA	**122.47**	49.12
Provision made towards Income tax	**3770.00**	1470.00
Other Provision and Contingencies		
Provision for Standard Assets	**353.44**	85.60
Floating Provision Against Standard Asset	**937.85**	207.68
Provision for Standard Restructured Assets	**(44.82)**	(63.87)

Draw Down from Reserves

The Company has not made any draw down from reserves during the previous year.

Concentration of Advances, Exposures and NPAs

Concentration of Advances

(₹ in lacs)

Particulars	As on March 31, 2017	As on March 31, 2016
Total Advances to twenty largest borrowers	**46405.22**	34,188.37
Percentage of Advances to twenty largest borrowers to Total Advances of the Company	**25.55%**	32.26 %

Concentration of Exposures

(₹ in lacs)

Particulars	As on March 31, 2017	As on March 31, 2016
Total Exposure to twenty largest borrowers/customers	**46405.22**	34,188.37
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	**25.55%**	32.26 %

Concentration of NPAs

(₹ in lacs)

Particulars	As on March 31, 2017	As on March 31, 2016
Total Exposure to top four NPA accounts (Gross)	**882.08**	642.81

Sector-wise NPAs

Sr. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		As on March 31, 2017	As on March 31, 2016
1.	Agriculture & allied activities	**Nil**	Nil
2.	MSME	**1.47%**	1.29 %
3.	Corporate borrowers	**Nil**	Nil
4.	Services	**Nil**	Nil
5.	Unsecured personal loans	**Nil**	Nil
6.	Auto loans	**Nil**	Nil
7.	Other personal loans	**Nil**	Nil

Movement of NPAs

(₹ in lacs)

Particulars			As on March 31, 2017	As on March 31, 2016
(i)	Net NPAs to Net Advances (%)		**0.84%**	0.75 %
(ii)	Movement of NPAs (Gross)			
	(a)	Opening balance	**974.35**	926.81
	(b)	Additions during the year	**1986.83**	8,551.36
	(c)	Reductions during the year	**1177.49**	8,503.82
	(d)	Closing balance	**1783.69**	974.35

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(₹ in lacs)

Particulars	As on March 31, 2017	As on March 31, 2016
(iii) Movement of Net NPAs		
(a) Opening balance	**832.55**	834.13
(b) Additions during the year	**1788.15**	7,696.22
(c) Reductions during the year	**1101.28**	7,697.80
(d) Closing balance	**1519.42**	832.55
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	**141.80**	92.68
(b) Provisions made during the year	**579.41**	855.14
(c) Write-off / write-back of excess provisions	**456.94**	806.02
(d) Closing balance	**264.27**	141.80

Off-balance Sheet SPVs sponsored

Name of the SPV sponsored – N/A	
Domestic	Overseas
N/A	N/A

Customer Complaints

Particulars	Current Year	Previous Year
(a) No. of complaints pending at the beginning of the year	**2**	-
(b) No. of complaints received during the year	**32**	24
(c) No. of complaints redressed during the year	**33**	22
(d) No. of complaints pending at the end of the year	**1**	2

36. Disclosure of Restructured Accounts as per Appendix 4 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(₹ in lacs)

Sr. No.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification Details		Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of borrowers	-	-	-	-	-	-	-	-	-	-	1.00	-	-	-	-	1.00	-	-	-	1.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	1,335.44	-	-	-	-	1,335.44	-	-	-	1,335.44
		Provision thereon	-	-	-	-	-	-	-	-	-	-	66.77	-	-	-	-	66.77	-	-	-	66.77
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	"Upgradations to restructured standard category during the FY 2016-17"	No. of borrowers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	"Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY"	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY 2016-17	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the FY 2016-17	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	"Restructured Accounts as on March 31 of the FY 2016-17 (closing figures*)"	No. of borrowers	-	-	-	-	-	-	-	-	-	-	1.00	-	-	-	-	1.00	-	-	-	1.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	439.12	-	-	-	-	439.12	-	-	-	439.12
		Provision thereon	-	-	-	-	-	-	-	-	-	-	21.96	-	-	-	-	21.96	-	-	-	21.96

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

37. Master Direction- Non-Banking Financial Company- Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, require the Company to make provision for standard assets at 0.35 percent of the Standard Assets. However, as a prudent practice, the Company has adopted to make provision of 0.50 percent. Consequently, during the current financial year, the profits of the company are lower by Rs. 106.03 Lacs.

Further, in pursuance to the Company's Board approved policy, the Company is making an additional Floating Provision on Standard Assets of 1.5 percent which will be available for adjustment towards provision for Non Performing Assets/Write offs. Accordingly an amount of Rs. 937.85 Lacs is provided as Additional Floating Provision, which has been partially utilised towards the Provision for Non Performing Assets and Write off to the extent of Rs. 122.47 Lacs and Rs.16.04 Lacs respectively."

38. In the opinion of the Board, the Current Assets, Loans & Advances are realizable in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

39. Subsequent Event : The Board of Directors at its meeting held on 13th May 2017 has recommended a dividend of Re.0.30/- per share on face value of Rs.2/- per equity share.

40. Previous year figures

Previous year figures have been regrouped and reclassified wherever necessary to confirm to current year's presentation.

As per our report of even date attached
For and on behalf of
KARNAVAT & CO.
Chartered Accountants
Firm Regn. No. 104863W

(Shashikant Gupta)
Partner
Membership No. 45629

Place: Mumbai
Date: 13th May, 2017

For and on behalf of the Board of Directors

Quintin E. Primo III Non-executive Chairman DIN 06600839	**Sunil Kapoor** Executive Director DIN 01436404	**Rajesh Sharma** Director DIN 00020037
Bhagyam Ramani Independent Director DIN 00107097	**Beni Prasad Rauka** Independent Director DIN 00295213	**T. R. Bajalia** Independent Director DIN 02291892
Gaurang Shah Associate Director Finance & Accounts	**Harish Agrawal** Senior Vice President & Company Secretary	

Place: Mumbai
Date: 13th May, 2017

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

CAPRI GLOBAL CAPITAL LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of CAPRI GLOBAL CAPITAL LIMITED ("the Holding Company") and its subsidiaries (together referred to as "Group"), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the 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 Statement").

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 of requirements of the Companies Act, 2013 (hereinafter referred to as "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 the 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 Holding Company's Board of Directors is also responsible for ensuring accuracy of the records including financial information considered necessary for the preparation of Consolidated Financial Statements. 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; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for 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 audit.

We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated 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 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:

a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2017;

b) In the case of the Consolidated Statement of Profit and Loss, of the **Profit** for the year ended on that date; and

c) In the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

We did not audit the financial statement of one Subsidiary Company, whose financial statements reflect total assets of Rs.1.00 Lac as at March 31, 2017, total revenue of Rs. Nil and Net Profit of Rs. Nil. These financial statements are unaudited and have been furnished to us by the management and our opinion in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the information and explanation provided by the management.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that :

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant 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 written representations received from the directors of the Group as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls relevant to the Holding Company's preparation of the consolidated financial statements, we refer to Annexure-B of our report of even date on the standalone financial statements of the Holding Company.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the 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, we report that:

i) There were no pending litigations which would impact the consolidated financial position of the Group.

ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investors Education and Protection Fund by the Holding Company and its subsidiary companies.

iv) The Holding Company and its subsidiary companies have provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Companies and as produced to us by the Management.

For and on behalf of
KARNAVAT & CO.
Chartered Accountants
Firm Regn No. 104863W

(Shashikant Gupta)
Partner
Membership No. 45629

Place: Mumbai
Dated: May 13, 2017

CONSOLIDATED BALANCE SHEET
AS AT 31ST MARCH, 2017

(₹ in lacs)

		Notes	As At 31-03-2017	As At 31-03-2016
I.	**EQUITY AND LIABILITIES**			
1	**Shareholders' Fund**			
	Share Capital	2	**3,502.70**	3,502.70
	Reserves and Surplus	3	**1,12,562.59**	1,06,750.36
			1,16,065.29	1,10,253.06
2	**Non-Current Liabilities**			
	Long Term Borrowings	4	**50,083.33**	10,168.33
	Other Non Current Liabilities	5	**163.61**	238.45
	Long Term Provisions	6	**27.39**	-
			50,274.33	10,406.78
3	**Current Liabilities**			
	Short Term Borrowings	7	**7,869.13**	1,156.44
	Trade Payables	8	**208.52**	115.63
	Other Current Liabilities	5	**21,369.62**	8,985.04
	Short Term Provisions	6	**710.00**	1,123.27
			30,157.27	11,380.38
	Total		**1,96,496.89**	1,32,040.22
II.	**ASSETS**			
1	**Non Current Assets**			
	Fixed Assets			
	Tangible Assets	9	**1,025.30**	433.54
	Intangible Assets	9	**236.52**	369.90
	Capital WIP		**26.72**	-
			1,288.54	803.44
	Non Current Investments	10	**2,763.05**	2,799.28
	Deferred Tax Assets (Net)	11	**259.07**	193.98
	Long Term Loans and Advances	12	**1,56,944.22**	92,489.77
	Other Non-Current Assets	13	**1,173.01**	312.05
			1,61,139.35	95,795.07
2	**Current Assets**			
	Current Investments	10	**4,045.01**	8,250.00
	Trade Receivables	14	**626.39**	811.77
	Cash and Bank Balances	15	**1,141.01**	1,812.79
	Short Term Loans and Advances	12	**25,051.50**	15,831.38
	Other Current Assets	13	**3,205.09**	8,735.76
			34,069.00	35,441.71
	Total		**1,96,496.89**	1,32,040.22
Significant Accounting Policies		1		

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date attached
For and on behalf of
KARNAVAT & CO.
Chartered Accountants
Firm Regn. No. 104863W

(Shashikant Gupta)
Partner
Membership No. 45629

Place: Mumbai
Date: 13th May, 2017

For and on behalf of the Board of Directors

Quintin E. Primo III
Non-executive Chairman
DIN 06600839

Sunil Kapoor
Executive Director
DIN 01436404

Rajesh Sharma
Director
DIN 00020037

Bhagyam Ramani
Independent Director
DIN 00107097

Beni Prasad Rauka
Independent Director
DIN 00295213

T. R. Bajalia
Independent Director
DIN 02291892

Gaurang Shah
Associate Director
Finance & Accounts

Harish Agrawal
Senior Vice President &
Company Secretary

Place: Mumbai
Date: 13th May, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH 2017

(₹ in lacs)

		Notes	Year Ended 31-03-2017	Year Ended 31-03-2016
I.	**INCOME**			
	Revenue from Operations	16	**23,401.31**	18,902.69
	Other Income	17	**107.42**	156.46
	Total Revenue		**23,508.73**	19,059.15
II.	**EXPENSES**			
	Employee Benefit Expenses	18	**5,461.12**	3,272.68
	Finance Costs	19	**3,798.70**	1,177.73
	Depreciation and Amortization Expenses	20	**430.26**	347.64
	Loan Provisions/Write off (Net of Provisions)	21	**1,371.55**	6,872.30
	Other Expenses	22	**2,893.38**	1,824.94
	Total Expenses		**13,955.01**	13,495.29
III.	**Profit before Exceptional Items and Tax**		**9,553.72**	5,563.86
	Less: Exceptional Items		**-**	-
IV.	**Profit before Tax**		**9,553.72**	5,563.86
	Less: Tax Expenses			
	Current Tax		**3,800.12**	1,579.00
	Deferred Tax		**(65.09)**	(15.91)
	Earlier years adjustments		**6.46**	(364.20)
			3,741.49	1,198.89
V.	**Profit for the period**		**5,812.23**	4,364.97
VI.	**Earnings per Equity Share Before Exceptional Items**	29		
	(Nominal Value of share Rs.2/- each)			
	Basic		**3.32**	2.49
	Diluted		**3.32**	2.49
	Earnings per Equity Share After Exceptional Items	29		
	(Nominal Value of share Rs.2/- each)			
	Basic		**3.32**	2.49
	Diluted		**3.32**	2.49
Significant Accounting Policies		1		

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date attached
For and on behalf of
KARNAVAT & CO.
Chartered Accountants
Firm Regn. No. 104863W

(Shashikant Gupta)
Partner
Membership No. 45629

Place: Mumbai
Date: 13th May, 2017

For and on behalf of the Board of Directors

Quintin E. Primo III
Non-executive Chairman
DIN 06600839

Sunil Kapoor
Executive Director
DIN 01436404

Rajesh Sharma
Director
DIN 00020037

Bhagyam Ramani
Independent Director
DIN 00107097

Beni Prasad Rauka
Independent Director
DIN 00295213

T. R. Bajalia
Independent Director
DIN 02291892

Gaurang Shah
Associate Director
Finance & Accounts

Harish Agrawal
Senior Vice President &
Company Secretary

Place: Mumbai
Date: 13th May, 2017

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lacs)

Particulars		Year Ended 31-03-2017	Year Ended 31-03-2016
(A)	**Cash Flow From Operating Activities and Exceptional Items**		
	Profit Before Taxation	**9,553.71**	5,563.85
	Add/(Less):		
	Depreciation	**430.26**	347.63
	(Profit)/Loss on Sale of Fixed Assets	**22.46**	1.80
	Bad Debts Written Off	**-**	6,593.77
	Provision for Standard Assets	**353.44**	85.60
	Floating Provision Against Standard Asset	**937.85**	207.68
	Provision for Restructured Standard Asset	**(44.82)**	(63.87)
	Provision for Sub-Standard Assets	**122.47**	49.12
	Operating Profit before exceptional items	**11,375.37**	12,785.58
	Add: Exceptional Items	**-**	-
	Operating Profit before working capital changes	**11,375.37**	12,785.58
	Movements in Working Capital		
	(Increase)/Decrease in Trade & Other Receivables	**(70,919.23)**	(23,186.25)
	(Increase)/Decrease in Stock-in-trade	**-**	2,354.47
	Increase/(Decrease) in Trade & Other Payables	**12,660.48**	3,655.80
	Cash Flow generated from/(used in) Operating Activities	**(46,883.38)**	(4,390.40)
	Less:- Direct Taxes Paid	**(3,113.65)**	(2,885.30)
	Net Cash generated from/(used in) Operating Activities (A)	**(49,997.03)**	(7,275.70)
(B)	**Cash Flow From Investing Activities**		
	Purchase of Fixed Assets	**(938.90)**	(306.70)
	Sale of Fixed Assets	**1.08**	10.09
	(Increase)/Decrease in Investments	**4,190.23**	(844.65)
	Investment in Fixed Deposit	**0.20**	174.80
	Encashment of Fixed Deposit	**-**	1,200.00
	Net Cash Flow generated from/(used in) Investing Activities (B)	**3,252.61**	233.54
(C)	**Cash Flow From Financing Activities**		
	Increase/Decrease in Borrowings	**46,654.19**	7,574.77
	Dividend Paid	**(525.40)**	(525.40)
	Dividend Distribution Tax Paid	**(106.96)**	(106.96)
	Increase in Share Capital	**51.00**	-
	Net Cash Flow generated from/(used in) Financing Activities (C)	**46,072.83**	6,942.41
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**(587.16)**	(99.75)
	Cash & Cash Equivalents at the beginning	**1,649.10**	1,748.85
	Cash & Cash Equivalents at the end	**1,061.94**	1,649.10

Notes:

(₹ in lacs)

Particulars	Year Ended 31-03-2017	Year Ended 31-03-2016
1. Cash and Cash equivalents		
Cash in hand	**2.51**	11.26
Balance with banks:		
In Current Accounts	**1,058.14**	1,377.11
In Unpaid Dividend Account	**1.29**	0.89
Current maturities of fixed deposits with Original Maturity of Less than 3 Months	**-**	259.83
Total	**1,061.94**	1,649.10

2. Cash flows arising on account of taxes on income are not specifically bifurcated with respect to investing & financing activities.
3. Previous year's figures have been regrouped, wherever necessary to confirm to current year's classification.
4. Figures in brackets represent outflows.

As per our report of even date attached
For and on behalf of
KARNAVAT & CO.
Chartered Accountants
Firm Regn. No. 104863W

(Shashikant Gupta)
Partner
Membership No. 45629

Place: Mumbai
Date: 13th May, 2017

For and on behalf of the Board of Directors

Quintin E. Primo III
Non-Executive Chairman
DIN 06600839

Sunil Kapoor
Executive Director
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Director
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T. R. Bajalia
Independent Director
DIN 02291892

Gaurang Shah
Associate Director
Finance & Accounts

Harish Agrawal
Senior Vice President &
Company Secretary

Place: Mumbai
Date: 13th May, 2017

1. Significant Accounting Policies

1.1 Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) to comply with the accounting standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 and guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non Banking Finance Company. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

1.2 Use of Estimates:

Presentation and Disclosure of Financial Statement

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, 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.

1.3 Basis of Consolidation:

The consolidated financial statements relate to Capri Global Capital Limited (the Parent Company) and its subsidiary companies.

(i) Principles of Consolidation: The consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS–21) - "Consolidated Financial Statements"" as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the Parent and its subsidiary companies (together the "Group") have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealised profits or losses on intra-group transactions.

b) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Parent Company's separate financial statements. Appropriate adjustments have been made in the financial statements of the subsidiaries with respect to different accounting policies for like transaction and events in similar circumstances for the purpose of preparation of consolidated financial statements.

c) The excess of cost to the Parent Company of its investment in the subsidiary over the Parent Company's portion of equity of the subsidiary is recognised in the financial statements as Goodwill. This Goodwill is tested for impairment at the end of the financial year. The excess of Parent Company's portion of equity over the cost of investment as at the date of its investment is treated as Capital Reserve.

d) The financial statements of the subsidiaries used in consolidation are drawn up to the same reporting date as that of the Parent Company i.e. year ended March 31, 2017.

(ii) Wholly owned Indian subsidiary companies included in the consolidated financial statements

Name of Subsidiaries ;

a) Capri Global Housing Finance Limited (Formerly known as Capri Global Housing Finance Private Limited)

b) Capri Global Resources Private Limited

c) Capri Global Asset Reconstruction Private Limited

1.4 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. The following specific recognition criteria are met before revenue is recognized:

a) Sale of Traded Goods

Revenue from sale of traded goods is recognized when all the significant risks and rewards of ownership of the traded goods have been passed to the buyer.

b) Income from Advisory Services

Income from Advisory Services are accounted for as and when the relevant services are rendered and revenue is recognised using completed service contract method except where the recovery is uncertain in which case it is accounted for on receipt.

c) Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Revenue from Operations" in the statement of profit and loss. Delayed Payment charges, Penal Interest, Other Penal Charges, etc., are recognised on receipt basis on account of uncertainty of the ultimate collection of the same. Further, in accordance with the guidelines issued by the Reserve Bank of India for Non-Banking Finance Companies, income on business assets classified as Non-performing Assets, is also recognised on receipt basis.

d) Dividends

Dividend income is recognized when the company's right to receive dividend is established on the reporting date.

1.5 Inventories

The inventories held as stock-in-trade under current assets are valued at lower of cost or market value.

1.6 Cash and Cash Equivalents

Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less, as per Accounting Standard 3 "Cash Flows".

1.7 Tangible Fixed Assets

Tangible Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to it's working condition for it's intended use.

1.8 Depreciation on Tangible Fixed Assets

The Company has worked depreciation with reference to the Useful life of Fixed Assets prescribed by the PART C of Schedule II to the Act. The carrying values have been depreciated over the remaining useful life of the Asset using Written Down Value Method and the same is recognised in the Statement of Profit and Loss.

1.9 Intangible Assets

Intangible Assets are stated at cost less accumulated amortisation and impairment losses, if any. The cost of intangible assets comprises purchase price and any attributable cost of bringing the asset to it's working condition for it's intended use. Intangible assets are amortized over the useful life on prorata basis under the straight line method as estimated by the management, which is generally between three to five years.

1.10 Impairment of Tangible and Intangible Assets

The carrying amount of assets is 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 assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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.

1.11 Foreign Currency Translation

a) Foreign Currency Transactions and Balances

(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. Exchange differences, if any, arising out of transactions settled during the year are recognised in the statement of profit and loss.

(ii) Conversion

Monetary assets and liabilities denominated in the foreign currencies as at the Balance Sheet date are translated at the closing exchange rates on that date. The exchange differences, if any, are recognised in the statement of profit & loss and related assets and liabilities are accordingly restated in the Balance Sheet.

1.12 Investments

Investments which are readily realizable and intended to the 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.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. 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. In case of investments in mutual funds, the net asset value of units declared by the mutual funds is considered as the fair 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.

1.13 Retirement and other employee benefits

The Company has adopted the revised Accounting Standard 15 – Accounting for Employee Benefits. The accounting policy followed by the Company in respect of its employee benefit schemes is set out below:

"Gratuity:

The Company has funded Defined Benefit Obligation Plan for gratuity to its employees, who have completed five years or more of service, under the group gratuity scheme of Life Insurance Corporation (LIC) of India & to HDFC Standard Life Insurance Company. The Company has created planned assets by contribution to the gratuity fund with LIC of India & HDFC Standard Life Insurance Company Limited."

Leave Encashment:

Provision for Leave Encashment is made on the basis of Actuarial Valuation.

1.14 Employee stock Compensation Cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

1.15 Commercial Papers

Commercial paper is recognised at redemption value. The difference between redemption value and issue value is amortised on a time basis and is disclosed under finance charges.

1.16 Leases

Where the Company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, 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 lease term.

1.17 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – Earning per Share.

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The Weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share spilt, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss 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.

1.18 Taxes on Income

Income tax expenses comprises of current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) & the deferred tax charge or benefit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

Deferred Taxation:

The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognised using the tax rates that have been enacted or substantially enacted as at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

1.19 Provisions

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amounts of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

1.20 Contingent Liabilities / Assets

A contingent liabilities is a possible obligation that arise 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.

Contingent assets are not recognised in the financial statements. However contingent assets are assessed continually and if it is virtually certain that an economic benefit will rise, asset and related income are recognised in the period in which the change occurs.

2. Share Capital

(₹ in Lacs)

	31-03-2017	31-03-2016
Authorized Shares		
36,00,00,000 (31 Mar 2016: 7,20,00,000) Equity Shares of Rs. 2/- (31 Mar 2016 Rs. 10/-) each	**7,200.00**	7,200.00
	7,200.00	7,200.00
Issued, Subscribed and fully paid up Shares		
17,51,34,805 (31 Mar 2016: 3,50,26,961) Equity Shares of Rs.2/- (31 Mar 2016 Rs. 10/-) Each fully paid up	**3,502.70**	3,502.70
Total	**3,502.70**	3,502.70

2.1 Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

	31-03-2017		31-03-2016	
Equity Shares:	**Nos.**	**₹ in Lacs**	**Nos.**	**₹ In Lacs**
At the beginning of the period	**3,50,26,961**	**3,502.70**	3,50,26,961	3,502.70
Addition due to split of shares in ratio 1:5	**14,01,07,844**	**-**	-	-
Issued during the period - Warrant Conversion	**-**	**-**	-	-
Issued during the period - ESOP	**-**	**-**	-	-
Outstanding at the end of the period	**17,51,34,805**	**3,502.70**	3,50,26,961	3,502.70

Note : During the year shares were split in the ratio of 1:5 accordingly the Face Value of shares is now Rs. 2/- per share

2.2 Terms/Rights attached to equity shares:

The company has only one class of equity share having a par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2017, the board of directors at its meeting held on 13th May, 2017 has recommended a dividend of Re. 0.30/- on face value of Rs.2/- per share (31st March, 2016 Rs.1.50/- on face value of Rs.10/- per share)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be proportional to the number of equity shares held by the shareholders.

2.3 Details of shareholders holding more than 5% share in the company Equity Shares of Rs. 2/- (31 March 2016 Rs. 10/-) each fully paid up:

	31-03-2017		31-03-2016	
Name of Shareholder	Nos.	%	Nos.	%
Capri Global Holdings Pvt. Ltd.	**6,60,40,395**	**37.71**	1,32,08,079	37.71
Mr. Rameshchandra Sharma	**4,37,64,930**	**24.99**	87,52,986	24.99
Capri Global Advisory Services Pvt. Ltd.	**1,75,17,060**	**10.00**	35,03,412	10.00

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

3. Reserve and Surplus

(₹ in Lacs)

	31-03-2017	31-03-2016
3.1 Securities premium account		
Balance as per the last financial statements	**44,710.06**	44,710.05
Closing Balance	**44,710.06**	44,710.05
3.2 General Reserve		
Balance as per the last financial statements	**5,970.53**	3,860.00
Add: Pursuant to the Scheme of merger of Subsidiaries	**-**	1,800.53
Add: Amount transferred from surplus balance in the statement of profit and loss	**450.00**	310.00
Closing Balance	**6,420.53**	5,970.53
3.3 Surplus / (Deficit) in the Statement of Profit and Loss		
Balance as per the last Financial Statements	**42,875.71**	40,353.10
Profit for the year :	**5,812.23**	4,364.97
Less: Appropriations		
Less : Proposed Dividend (Nil (31 March 2016 : Rs. 1.50/-))	**-**	525.40
Tax on Proposed Dividend	**-**	106.96
Transfer to Reserve Fund under Section 45 I C(1) of Reserve Bank of India Act,1934	**1,160.00**	850.00
Transfer to Reserves as per Section 29C of the National Housing Bank Act, 1987	**20.00**	50.00
Transfer to General Reserve	**450.00**	310.00
Net surplus in the Statement of Profit and Loss	**47,057.94**	42,875.71

(₹ in Lacs)

		31-03-2017	31-03-2016
3.4	**Reserve Fund as per Section 45 I C(1) of Reserve Bank of India Act, 1934**		
	Balance as per the last Financial Statements	**12,860.00**	12,010.00
	Add: Amount transferred from surplus balance in the Statement of Profit and Loss	**1,160.00**	850.00
	Closing Balance	**14,020.00**	12,860.00
3.5	**Statutory Reserve U/s 29C of the National Housing Bank Act, 1987**		
	Balance as per the last financial statements	**50.00**	-
	Add: Amount transferred from surplus balance in the Statement of Profit and Loss	**20.00**	50.00
	Closing Balance	**70.00**	50.00
3.6	**Capital Reserve**	**284.07**	284.07
	Total Reserves and Surplus	**1,12,562.60**	1,06,750.36

4. Long Term Borrowings

(₹ in Lacs)

	31-03-2017	31-03-2016
Secured		
Term Loans from Banks	**42,583.33**	10,168.33
Non Convertible Debentures	**7,500.00**	-
Total	**50,083.33**	10,168.33

Note : The above term loans are secured against the Paripasu Charge on the Standard Identified Receivables of MSME, Retails Credit assets and Wholesale Credit Assets of the Company.

(₹ in Lacs)

a)	Name of Bank	Facility amount	Repayment schedule	Floating Interest Rate
	Term Loan from Bank of Maharashtra	5,000.00	Repayable in 12 quarterly instalments started from Sep. 2015	9.60 %
	Term Loan from Bank of Maharashtra	20,000.00	Repayable in 12 quarterly instalments starting from Mar. 2017	9.60 %
	Term Loan from Andhra Bank	3,000.00	Repayable in 12 quarterly instalments starting from Nov. 2016	10.25 %
	Term Loan from Andhra Bank	3,000.00	Repayable in 12 quarterly instalments starting from May 2017	10.25 %
	Term Loan from Andhra Bank	5,000.00	Repayable in 12 quarterly instalments starting from Mar. 2018	10.25 %
	Term Loan from Bank of India	2,500.00	Repayable in 12 quarterly instalments starting from Dec. 2016	10.25 %
	Term Loan from Bank of India	5,000.00	Repayable in 12 quarterly instalments starting from Jan. 2018	10.25 %
	Term Loan from Vijaya Bank	5,000.00	Repayable in 12 quarterly instalments starting from May 2017	10.25 %

a)	Name of Bank	Facility amount	Repayment schedule	Floating Interest Rate
	Term Loan from Vijaya Bank	7,500.00	Repayable in 12 quarterly instalments starting from Dec. 2017	10.25 %
	Term Loan from Vijaya Bank	5,000.00	Repayable in 12 quarterly instalments starting from Jun. 2018	9.35 %
	Term Loan from UBI Bank	10,000.00	Repayable in 12 quarterly instalments starting from May 2018	9.60 %
	Term Loan from OBC Bank	5,000.00	Repayable in 12 quarterly instalments starting from Jun. 2018	9.85 %

b) Particulars of Secured Redeemable Non-Convertible Debentures

Particulars	Amount (₹ In Lacs)	Date of Allotment	Interest rate % p.a	Date of Redemption	Redeemable term
"Series I Tranche I * (FV Rs.10 Lacs)"	5000	17.02.2017	9.50 %	17.02.2020	Redeemable at par after expiry of 3 years.
"Series I Tranche II (FV Rs.10 Lacs)"	1000	20.01.2017	10.50 %	20.01.2020	Redeemable at par after expiry of 3 years.
"Series I Tranche III (FV Rs.10 Lacs)"	1500	07.03.2017	10.25 %	07.03.2019	Redeemable at par after expiry of 2 years.

*These Debentures have tenure of 3 years subject to call/put option with the lender/investor to be exercised at the end of 2 years from the date of issue.

5. Other Liabilities:

(₹ in Lacs)

	Non-Current		Current	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Current Maturities of Long-term Borrowings (Refer Note: 4)	-	-	14,833.34	2,791.67
Temporary overdrawn balance as per books.	-	-	6,152.11	5,465.85
Other Payables				
Audit fees Payable	-	-	8.14	8.70
Provident Fund, NSC & ESIC Payable	-	-	20.81	5.32
Employee Profession Tax Payable	-	-	0.70	0.44
Service Tax Payable	-	-	0.02	-
TDS Payable	-	-	97.38	60.51
Margin Money	**163.61**	**238.45**	101.36	62.00
Unpaid Dividend	-	-	1.29	0.89
Interest accrued but not due on borrowings	-	-	86.91	-
Others	-	-	67.58	589.66
Total	**163.61**	**238.45**	21,369.62	8,985.04

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

6. Provisions

(₹ in Lacs)

		Long Term		Short Term	
		31-03-2017	31-03-2016	31-03-2017	31-03-2016
6.1	**Provisions for employee benefits:**				
	Salary and Reimbursements	-	-	20.96	9.31
	Bonus	-	-	315.00	250.00
	Provision for Gratuity	1.59	-	28.38	3.79
	Leave encashment payable	25.81	-	6.34	11.32
6.2	**Others:**				
	Proposed Dividend	-	-	-	525.40
	Provision for Dividend Distribution Tax	-	-	-	106.96
	Provision for expenses	-	-	339.30	216.49
	Total	**27.39**	-	**709.99**	1,123.27

7. Short Term Borrowings

(₹ in Lacs)

	31-03-2017	31-03-2016
Secured		
Loans repayable on demand from Banks :		
Cash Credit from Union Bank of India	**2,834.57**	1,156.44
Overdraft facility from Axis Bank	**34.56**	-
Unsecured		
Commercial papers	**5,000.00**	-
Total	**7,869.13**	1,156.44

Note : The Company has the Cash Credit limit of Rs. 5,000 Lacs. (31 March 2016 Rs. 5,000 Lacs) against the Paripasu Charge on the Standard Identified Receivables of MSME, Retails Credit assets and Wholesale Credit Assets of the Company.

8. Trade Payable

(₹ in Lacs)

	31-03-2017	31-03-2016
Trade Payables (Including acceptances)		
-Due to Others	**208.52**	115.63
Total	**208.52**	115.63

9. Fixed Assets

(₹ in Lacs)

	Life	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK	
		Cost as at 01.04.2016	Additions	Disposals/ adjustments	Cost as at 31.03.2017	As at 01.04.2016	For the Period	Adjustment on Disposals	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
a) Tangible Assets											
Buildings(Leasehold Premises)	10 years	-	128.98	-	128.98	-	5.58	-	5.58	**123.40**	-
Building (Flats)	60 years	-	27.00	-	27.00	-	0.03	-	0.03	**26.98**	-
Computers	3 Yrs. / 6 Yrs.	348.80	127.01	51.81	424.00	263.17	93.93	49.04	308.06	**115.94**	85.63
Furniture and Fixtures	10 years	431.41	278.88	220.58	489.71	328.33	42.61	201.52	169.42	**320.30**	103.08
Office Equipments	5 years	142.87	128.25	29.63	241.50	107.02	31.80	28.03	110.79	**130.71**	35.85
Electric Installation	10 years	29.08	89.04	-	118.12	22.52	6.08	-	28.60	**89.52**	6.57
Vehicles	8 years	382.21	94.70	0.53	476.39	179.81	78.53	0.42	257.93	**218.46**	202.40
Current Year		1,334.37	873.87	302.55	1,905.70	900.85	258.56	279.01	880.40	**1,025.30**	433.54
Previous Year		1,114.15	280.30	60.08	1,334.37	794.69	154.35	48.19	900.85	**433.54**	
b) Intangible Assets											
Software		188.72	38.31	-	227.03	148.33	30.52	-	178.85	**48.17**	40.38
Royalty		705.40	-	-	705.40	375.88	141.17	-	517.05	**188.35**	329.52
Current Year		894.12	38.31	-	932.43	524.22	171.69	-	695.91	**236.52**	369.90
Previous Year		867.72	26.40	-	894.12	330.93	193.29	-	524.22	**369.90**	

Notes :

a) Software are amortized on pro rata basis using straight line method over the useful life estimated by the management which is three years.

b) Royalty is amortized on pro-rata basis using straight line method over the useful life estimated by the management which is five years.

c) Amortization of software :

Year of Acquisition	COST	Amortized		Balance to be amortized	
		No. of years*	Amount	No. of years*	Amount
2010-11	13.31	3	13.31	-	-
2011-12	3.44	3	3.44	-	-
2012-13	19.39	3	19.39	-	-
2013-14	810.47	2	622.12	1	188.35
2014-15	21.11	3	18.45	-	2.66
2015-16	26.40	2	12.46	1	13.94
2016-17	44.12	1	12.55	2	31.57
Total	**938.24**		**701.72**		**236.52**

* Period of amortization of less than 6 months is not considered in the number of years column.

10 Investments

(₹ in Lacs)

		Non-Current		Current	
		31-03-2017	31-03-2016	31-03-2017	31-03-2016
10.1	**Non-Trade Investments, Quoted (valued at cost unless stated otherwise)**				
	Investment in Equity Shares:				
	3,63,000 (31 March 2016 : 3,68,000) CARE Equity Shares of Rs.10/- each fully paid -up	**2,653.31**	2,689.55	**-**	-
		2,653.31	2,689.55	**-**	-
10.2	**Investment in Mutual Funds**				
	Nil (31 March 2016 : 36,55,137.75) units of Rel. Floating Rate STP(Dir Growth Dir Plan)	**-**	-	**-**	800.00
	Nil (31 March 2016 : 51,187.07) units of Rel. Liquid Fund Cash Fund Plan-DG-Inv.	**-**	-	**-**	1,250.00
	Nil (31 March 2016 : 63,08,966.30) Units of Reliance Medium Fund-Inv	**-**	-	**-**	2,000.00
	Nil (31 March 2016 : 5,35,494.11) units of ICICI PRU Liquid Fund D-G-Invt	**-**	-	**-**	1,200.00
	Nil (31 March 2016 : 2,78,02,353.54) units of Rel. Banking & PSU Dir-Growth-Investment	**-**	-	**-**	3,000.00
	5,74,194.549 (31 March 2016 : Nil) units of BSL-Cash Plus -Direct Growth	**-**	-	**1,500.00**	-
	37,472.399 (31 March 2016 : Nil) units of Kotak Mahindra MF	**-**	-	**1,000.00**	-
	43,74,874.222 (31 March 2016 : NIl) units of Sundaram MF	**-**	-	**1,500.00**	-
	6,705.98 units (31 March 2016:Nil) ICICI PRU MF Money Market-D-G-Inv	**-**	-	**15.01**	-
	12,482.26 units (31 March 2016:Nil) ICICI PRU Liquid Fund DG Investment	**-**	-	**30.00**	-
		-	-	**4,045.01**	8,250.00
10.3	**Other Non-Current Investments**				
	(valued at cost)				
	Investment in Immovable Property	**109.74**	109.74	**-**	-
	Total	**2,763.05**	2,799.28	**4,045.01**	8,250.00
	Aggregate amount of Unquoted Investments				
	In Equity Shares	**-**	-	**-**	-
	In Plot	**109.74**	109.74	**-**	-
	In Mutual Funds	**-**	-	**4,045.01**	8,250.00
	Aggregate amount of Quoted Investments				
	In Equity Shares	**2,653.31**	2,689.55		-
	Market value of Quoted investments	**6,144.50**	3,446.69		-

11. Deferred Tax Assets/(Liabilities) Net

(Disclosure as per AS-22 "Accounting for Taxes on Income")

(₹ in Lacs)

	31-03-2017	31-03-2016
Deferred Tax Assets		
Timing difference on account of :		
Excess of WDV of the assets as per Income Tax Act, 1961 over the Financial Books.	**76.93**	191.49
Provision for Leave encashment	**11.07**	-
Provision for Gratuity	**0.49**	-
Carry Forward losses under the Income Tax Act, 1961	**170.58**	2.49
Deferred Tax Assets/(Liabilities) Net	**259.07**	193.98

12. Loans and Advances

(₹ in Lacs)

		Non-Current		Current	
		31-03-2017	31-03-2016	31-03-2017	31-03-2016
12.1	**Capital Advances**				
	Unsecured, considered good	**1,112.92**	1,352.35	**851.02**	320.60
		1,112.92	1,352.35	**851.02**	320.60
12.2	**Deposits**				
	Unsecured, considered good	**-**	-	**-**	-
	Security deposit	**248.86**	49.86	**34.35**	42.30
		248.86	49.86	**34.35**	42.30
12.3	**Other Loans and Advances**				
	Income Tax Deposits (Net of provision for taxation)	**932.62**	1,625.90	**-**	-
	Other Advances	**-**	-	**4.79**	3.33
	Prepaid Expenses	**21.99**	18.00	**92.91**	27.59
	Loans to Employees	**81.02**	61.96	**54.50**	25.06
	Gratuity Fund with LIC of India	**-**	-	**-**	0.53
	Advances Recoverable in cash or kind (Secured, Considered good)	**1,56,355.72**	89,959.62	**24,240.48**	15,534.90
		1,57,391.36	91,665.47	**24,392.68**	15,591.41
	Less : Contingent Provision against Standard Assets	**(774.53)**	(443.53)	**(118.24)**	(74.61)
	Less : Provision for Standard Restructured Assets	**-**	(25.00)	**(21.96)**	(21.76)
	Less : Floating Provision Against Standard Asset	**(847.98)**	-	**(57.57)**	-
	Less : Provision for Non Performing Assets	**(186.41)**	(109.39)	**(28.78)**	(26.56)
		1,55,582.43	91,087.55	**24,166.13**	15,468.49
	Total	**1,56,944.22**	92,489.77	**25,051.50**	15,831.38
	Note :				
	Income Tax Deposits (Net of provisions) comprises of :				
	Income Tax Deposits	**15,600.90**	12,751.10		
	Less: Provision for Income Tax	**(14,668.27)**	(11,125.20)		
		932.62	1,625.90		

13. Other Assets

(₹ in Lacs)

	Non-Current		Current	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Interest accrued but not due on Loans	-	2.00	1,085.52	4,836.72
Interest accrued but not due on FD and Bonds	15.53	4.73	74.99	136.56
Fixed Deposits with original maturity for more than 12 months	727.67	305.32	-	-
Current Maturities of Fixed Deposits with original maturity for more than 12 months	-	-	1,975.19	3,706.47
Asset held for Sale	429.81	-	-	-
Inventory of Gift Items	-	-	60.91	60.91
Service Tax Receivables	-	-	30.18	18.75
Less : Contingent Provision against Standard Assets	-	-	(5.43)	(23.65)
Less : Floating Provision Against Standard Asset	-	-	(16.25)	-
Total	1,173.01	312.05	3,205.09	8,735.76

Note :
Fixed Deposits of Rs. Nil (31 March 2016 Rs. 15.63 Lacs) have been pledged as security for Bank Guarantee.
Fixed Deposits of Rs. 1,214.00 Lacs (31 March 2016 : Rs. 1,200 Lacs) have been pledged as security for overdraft facility from bank.

14. Trade receivables:

(₹ in Lacs)

	31-03-2017	31-03-2016
Secured, considered good		
Outstanding for a period exceeding six months from the due date of payment	181.52	42.54
Outstanding for a period less than six months	495.55	797.04
Less : Contingent Provision against Standard Assets	(1.60)	(1.95)
Less : Provision for Standard Restructured Assets	-	(20.01)
Less : Provision for Non Performing Assets	(49.08)	(5.85)
Total	626.39	811.77

15. Cash and Bank Balances

(₹ in Lacs)

	31-03-2017	31-03-2016
15.1 Cash and Cash equivalents		
Cash in hand	2.51	11.26
Balance with banks:		
In Current Accounts	1,058.14	1,377.11
In Unpaid Dividend Account	1.29	0.89
Fixed deposits with Original Maturity of Less then 3 Months	-	259.83
	1,061.94	1,649.09

(₹ in Lacs)

		31-03-2017	31-03-2016
15.2	Other Bank Balances		
	Fixed Deposits with original maturity for more than 3 months but less than 12 months	**79.07**	163.70
		79.07	163.70
	Total	**1,141.01**	1,812.79

Note:
The details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are as below:-

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	61.83
-500	10.66	-	-
-1000	51.02	-	-
-Others	-	0.15	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	61.68	0.15	0.00
(+) Amount withdrawn from Banks	-	1.00	1.00
Closing cash in hand as on 30.12.2016	-	1.00	1.00

16. Revenue from Operations

(₹ in Lacs)

		Year Ended 31-03-2017	Year Ended 31-03-2016
16.1	**Income from Traded Goods**		
	Sale of Government & Corporate Bonds	**-**	2,516.25
		-	2,516.25
	Less : Opening Stock	**-**	2,354.47
		-	161.78
16.2	**Revenue From Financial Services**		
	Loan Processing Fees Received	**1,052.73**	694.98
		1,052.73	694.98
16.3	**Interest Income**		
	Interest on Loans given	**20,207.40**	15,640.19
	Interest on Bonds	**-**	74.79
	Interest on Bank Deposits	**308.96**	416.24
		20,516.36	16,131.22
16.4	**Other Operating Income**		
	Dividend Income	**103.04**	95.68
	Profit on sale of Investment	**816.39**	1,260.03
	Provisions no longer required, written back	**13.22**	52.04
	Bad Debts Recovered	**402.50**	-
	Foreclosure Fees Received	**299.09**	506.96
	Advertisement Income	**192.00**	-
	Other Income	**5.98**	-
		1,832.22	1,914.71
	Total Revenue from Operations	**23,401.31**	18,902.69
	Details of Traded Goods		
	Corporate Bonds	**-**	2,516.25
		-	2,516.25

17. Other Income

(₹ in Lacs)

	Year Ended 31-03-2017	Year Ended 31-03-2016
Rent Received	**7.33**	16.29
Interest On Income Tax Refund	**98.79**	-
Income from title transfer of Immovable Property	**-**	140.10
Miscellaneous Income	**1.30**	0.07
Total	**107.42**	156.46

18. Employee Benefit Expenses

(₹ in Lacs)

	Year Ended 31-03-2017	Year Ended 31-03-2016
Salaries, Wages and Bonus	**5,129.19**	3,072.14
Contribution to Provident Fund	**103.40**	55.86
Gratuity Expenses	**71.36**	34.51
Staff Welfare Expenses	**157.17**	110.17
Total	**5,461.12**	3,272.68

19. Finance Costs

(₹ in Lacs)

	Year Ended 31-03-2017	Year Ended 31-03-2016
Interest Expenses	**3,499.35**	967.78
Loan Processing Charges	**174.32**	209.95
Other Borrowing Costs	**125.03**	-
Total	**3,798.70**	1,177.73

20. Depreciation and Amortization Expenses

(₹ in Lacs)

	Year Ended 31-03-2017	Year Ended 31-03-2016
Depreciation of Tangible Assets	**258.57**	154.35
Amortization of Intangible Assets	**171.69**	193.29
Total	**430.26**	347.64

21. Loan Provisions/Write off (Net of Provisions)

(₹ in Lacs)

	Year Ended 31-03-2017	Year Ended 31-03-2016
Bad Debts Written Off (Net of Provision)	**-**	6,593.77
Contingent Provision against Standard Assets	**356.05**	85.60
Floating Provision Against Standard Asset	**937.85**	207.68
Provision for Restructured Standard Asset	**(44.82)**	(63.87)
Provision made for Non Performing Asset	**122.47**	49.12
Total	**1,371.55**	6,872.30

22. Other Expenses

(₹ in Lacs)

	Year Ended 31-03-2017	Year Ended 31-03-2016
Advertisement Expenses	**5.08**	2.80
Loss on sale of Fixed Assets	**0.93**	1.80
Bank charges	**5.44**	7.56
Business Promotion Expenses	**7.00**	70.08
Computer Maintenance	**7.85**	3.92
Conveyance Expenses	**119.20**	58.57
Custodian Charges	**2.14**	1.61
Corporate Social Responsibility Expenses	**196.70**	232.07
Delivery/Brokerage Commission	**0.94**	-
Donation	**11.22**	1.18
Directors Sitting Fees	**20.89**	22.39
Filing & Other Fees to ROC	**16.76**	2.31
Electricity Charges	**64.13**	48.30
General Expenses	**197.03**	112.31
Insurance Charges	**7.89**	8.63
Legal Fees	**230.82**	52.12
Professional Fees	**696.80**	474.92
Listing Fees & Stock Exchange Fees	**0.42**	2.13
Meeting & Conference Expenses	**19.71**	21.07
Membership & Subscription	**15.71**	18.66
Motor Car Expenses	**8.57**	7.97
Payment to Auditors (as per details given below)	**12.61**	10.49
Printing & Stationery	**54.76**	44.32
Postage & Stamps	**18.95**	14.06
Rates & Taxes	**0.12**	0.58
Recruitment & Training Expenses	**189.08**	54.14
Rent Paid	**550.02**	332.77
Registration and license fees	**11.00**	-
Software Expenses	**34.51**	13.80
Sundry Balance Written off	**12.28**	6.46
Fixed Assets Written off	**21.57**	-
Telephone and Internet Expenses	**129.08**	83.36
Travelling Expenses	**224.17**	114.57
Total	**2,893.38**	1,824.94

Payment to Auditors Include

(₹ in Lacs)

	Year Ended 31-03-2017	Year Ended 31-03-2016
As Auditor		
Statutory Audit Fees	**6.93**	6.26
Tax Audit Fees	**1.85**	1.45
Limited Review	**1.93**	1.47
In Other capacity		
Certification fees	**1.90**	1.31
	12.61	10.49

23. Gratuity and other post employment benefit plans (AS - 15)

The Company has an funded defined benefit obligation plan for gratuity under the Group Gratuity scheme of Life Insurance Corporation of India. The company has created plan assets by contributing to the Gratuity Fund with LIC Of India & to HDFC Standard Life Insurance Company.

The following tables summarise the components of the net employee benefit expenses recognised in the Statement of profit and loss, and the fund status and amount recognised in the balance sheet for the gratuity benefit plan.

A) Principal actuarial assumptions as at the balance sheet date:

	2016-17	2015-16
Mortality	**Indian Assured Life Mortality (2006-08)**	LIC 1994-96 (ultimate)
Discount Rate	**7.22%**	7.96 %
Salary Escalation	**5.00%**	5.00 %
Employee Attrition Rate	**10.00%**	5.00 %

B) Changes in the present value of the defined benefit obligation are as follows:

(₹ in Lacs)

	2016-17	2015-16
Liability at the beginning of the Year	**98.42**	70.46
Interest Cost	**7.83**	5.57
Current Service Cost	**42.31**	29.34
Benefits paid	**(8.30)**	(9.02)
Actuarial (Gain)/Loss on Obligations - Due to change in Demographic Assumptions	**4.86**	(0.10)
Actuarial (Gain)/Loss on Obligations - Due to change in Financial Assumptions	**8.69**	-
Actuarial (Gain)/Loss	**19.10**	2.16
Liability at the end of the Year	**172.90**	98.41

C) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

(₹ in Lacs)

Particulars	2016-17	2015-16
Investments	**95.15**	68.71
Actual return on plan assets	**7.57**	5.03
Contributions	**44.65**	32.99
Benefits Paid	**(8.30)**	(9.02)
Actuarial Gain/(Loss) on plan assets	**3.85**	(2.56)
Fair value of plan assets at the end of the year	**142.93**	95.15

D) Amount Recognized in Balance Sheet

Provision for Gratuity

(₹ in Lacs)

	2016-17	2015-16
Liability at the end of the Year	**172.90**	98.41
Fair Value of plan assets at the end of the year	**142.93**	95.15
Difference	**(29.97)**	(3.26)
Amount in Balance Sheet	**(29.97)**	(3.26)

E) Statement of Profit and Loss

Net Employee Benefit Expenses (recognised in employee cost)

	2016-17	2015-16
Current Service Cost	**42.31**	29.34
Interest on defined benefit obligation	**0.59**	0.84
Expected returns on plan assets	**(0.33)**	(0.30)
Net actuarial losses/(gains) recognised in the year	**28.79**	4.63
Total included in employee benefit expense	**71.36**	34.51

Leave Encashment:

A) Actuarial assumptions as at the balance sheet date:

	2016-17	2015-16
Mortality	**Indian Assured Life Mortality (2006-08)**	Indian Assured Life Mortality (2006-08)
Mortality Rate After Employment	**N.A.**	N.A.
Discount Rate	**7.96%**	7.96 %
Salary Escalation	**5.00%**	5.00 %
Employee Attrition Rate	**5.00%**	5.00 %
Expected Return on Plan Assets	**N.A.**	N.A.

B) Changes in the present value of the Projected Benefit Obligation are as follows:

(₹ in Lacs)

	2016-17	2015-16
Liability at the beginning of the Year	**11.32**	-
Interest Cost	**0.90**	-
Current Service Cost	**15.75**	11.32
Benefits Paid Directly by the Employer	**(3.60)**	-
Actuarial (Gain)/Loss on Obligations - Due to change in Demographic Assumptions	**2.34**	-
Actuarial (Gain)/Loss on Obligations - Due to change in Financial Assumptions	**1.17**	11.32
Actuarial (Gain)/Loss on Obligations - Due to Experience	**4.26**	(11.32)
Liability at the end of the Year	**32.15**	11.32

C) Amount Recognized in Balance Sheet

Provision for Leave Encashment

(₹ in Lacs)

	2016-17	2015-16
Present Value of Benefit Obligation at the end of the Year	**26.17**	11.32
Funded Status (Surplus/(deficit))	**(32.15)**	(11.32)
Unrecognised past service cost at the end of the Year	**-**	-
Amount in Balance Sheet	**(32.15)**	(11.32)

D) Statement of Profit and Loss

Net Employee Benefit Expenses (recognised in employee cost)

(₹ in Lacs)

	2016-17	2015-16
Current Service Cost	**15.75**	11.32
Net Interest Cost	**0.90**	-
Expected returns on plan assets	**7.77**	-
Total included in employee benefit expense	**24.43**	11.32

Note:

The Company has made provision of Leave Encashment amounting to Rs 32.15 Lacs (31 March 2016: 11.32 Lacs) for the employees who are at the rank of Associate Vice President and above.

Further, during the year, the Company has also paid for Leave Encashment amounting to Rs 62.12 Lacs (31 March 2016: 27.63 Lacs), for employees other than mentioned above, which is charged to the Statement of Profit & Loss.

24. Employee Stock Option Plan

The Capri Global Capital Limited has granted 18,50,000 Employee Stock Options (ESOP) under the Employee Stock Option Scheme 2009 (ESOP 2009) to employees spread over a period of 1 to 5 years. The details of which are as follows:

Financial Year in which options will vest	ESOPs equivalent to number of equity shares of face value of Rs 2/- each
2017-18	4,00,000
2018-19	4,00,000
2019-20	4,75,000
2020-21	4,75,000
2021-22	1,00,000

During the year, Subsidiary Company, namely the Capri Global Housing Finance Limited, has granted 5,00,000 Employee Stock Options (ESOP) under the Employee Stock Option Scheme 2017 (ESOP 2017) to an employee spread over a period of 5 years. The said ESOPs will start its vesting period from August 3, 2019. Hence, no provision is required to be made during the current financial year.

25. Segment Reporting (AS-17)

Primary Segment (Business Segment)

The Company operates mainly in the business segment of fund based financing activity. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the provisions of AS 17 on 'Segment Reporting'.

Secondary Segment (Geographical Segment)

The Company operates only in domestic markets. As a result separate segment information for different geographical segments is also not disclosed.

26. Disclosures as required by Accounting Standard (AS-18) 'Related Party Disclosures' in respect of transactions for the year are as under:

A. List of Related Parties over which control exists:

i) Enterprises over which Management and/or their relatives have control

1 Money Matters Infrastructure Private Limited
2 Parijat Properties Pvt. Ltd
3 Dreamwork Media & Entertainment Pvt. Ltd
4 Capri Global Holdings Pvt. Ltd
5 Ramesh Chandra Sharma - HUF

ii) Key Management Personnel

1	Mr. Sunil Kapoor	Executive Director
2	Mr. Quintin E. Primo III	Non-executive Chairman
3	Mr. Harish Agrawal	Company Secretary

B) Details of transactions during the year and closing balances as at the year end:

(₹ in Lacs)

Sr. No.	Particulars	Enterprises over which Management and/or their relatives have control		Key Management Personnel		Total	
		Year Ended Mar 31, 2017	Year Ended Mar 31, 2016	Year Ended Mar 31, 2017	Year Ended Mar 31, 2016	Year Ended Mar 31, 2017	Year Ended Mar 31, 2016
1	**Profit and Loss Account Items:**						
(I)	**Incomes:**						
i	Rent Received	**7.33**	16.29	**-**	-	**7.33**	16.29
(II)	**Expenses:**						
i	Rent Paid	**84.72**	122.27	**-**	-	**84.72**	122.27
ii	Salaries, Commission and other benefits	**-**	-	**180.28**	165.63	**180.28**	165.63
iii	Director Sitting Fees	**-**	-	**1.20**	1.50	**1.20**	1.50
2	**Balance Sheet Items:**						
	a) Advances Received	**-**	305.00	**-**	-	**-**	305.00
	b) Advances Paid	**-**	305.00	**-**	-	**-**	305.00

Note : Related Party Disclosures are given by the Management and relied upon by the Auditors.

27. Leases (AS - 19)

Operating Leases:

The company has taken office premises & guest houses under operating lease and the leases are of cancellable/ non-cancellable in nature. The lease arrangement are normally renewable on expiry of the lease period at the option of the lessor/ lessee ranging from 3 to 5 years. Some of the lease agreements are having lock in period of six months to three years which are non-cancellable during that period. After the expiry of the lock in period, the lease agreement becomes cancellable in nature at the option of the lessor or the lessee by giving 1-3 months notice to the either party. There are no restrictions imposed by the lease agreement. There is no contingent rent in the lease agreement. There is escalation clause in some lease agreements. The future minimum lease payments in respect of the non cancellable lease are as follows :

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lacs)

Particulars	2016-2017	2015-2016
a) Payable not later than one year	**401.69**	133.08
b) Payable later than one year and not later than five years	**1,489.36**	95.06
c) Payable later than five years	**1,918.64**	-

The lease payments recognized in the Statement of Profit & Loss in respect of non-cancellable lease for the year are Rs. 144.16 Lacs (31 March 2016: Rs.98.20 Lacs).

The lease payments recognized in the Statement of Profit & Loss in respect of cancellable lease for the year are Rs. 349.63 Lacs (31 March 2016: Rs.232.62 Lacs).

The Company had sub-leased the office premises under operating lease for which lease income is recognized in the Statement of Profit & Loss for the year amounting to Rs. 7.33 Lacs (31 March 2016: Rs.16.29 Lacs).

28. Earnings Per Share (AS - 20)

Particulars			For Year Ended March 31, 2017	For Year Ended March 31, 2016
Net Profit after tax as per Statement of Profit and Loss	(A)	₹ In Lacs	**5,812.23**	4,364.97
Weighted average number of equity shares for calculating Basic EPS	(B)	Nos.	**17,51,34,805**	17,51,34,805
Weighted average number of equity shares for calculating Diluted EPS	(C)	Nos.	**17,51,34,805**	17,51,34,805
Basic earnings per equity share (in Rupees) (Face value of Rs. 10/- per share)	(A)/(B)		**3.32**	2.49
Diluted earnings per equity share (in Rupees) (Face value of Rs. 10/- per share)	(A)/(C)		**3.32**	2.49

Particulars		For Year Ended March 31, 2017	For Year Ended March 31, 2016
Weighted average number of equity shares for calculating EPS	Nos.	**17,51,34,805**	17,51,34,805
Add : Equity shares arising on conversion of warrants	Nos.	**-**	-
Add : Equity shares for no consideration arising on grant of stock options under ESOP	Nos.	**-**	-
Weighted average number of equity shares in calculation of diluted EPS	Nos.	**17,51,34,805**	17,51,34,805

29. The company believes that no impairment of assets arises during the year as per Accounting Standard - 28 "Impairment of Assets".

30. Capital and other commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.34.15 Lacs (31st March 2016 Rs. 2.92 Lacs)

b) Amount payable towards acquisition of Property: Rs. 1,763.85 Lacs (31st March 2016 Rs. 5,350.97)

c) Other Commitments
Pending disbursements of sanctioned loans Rs. 49,135.81 Lacs (31 March 2016 Rs. 20,501.08 Lacs)

31. Expenditure in Foreign Currency

Foreign Travelling Expenses	Rs. 31.06 Lacs (31 March 2016 : Rs. 24.77 Lacs)
Staff Welfare Expenses	Rs. 14.59 Lacs (31 March 2016 : Rs. Nil)
Director Sitting Fees	Rs. 1.20 Lacs (31 March 2016 : Rs. 1.50 Lacs)

32. Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

Based on the intimation received by the Company, none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, no disclosures relating to amounts unpaid as at the year end together with interest paid /payable are required to be furnished.

33. Master Direction- Non-Banking Financial Company- Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, require the Company to make provision for standard assets at 0.35 percent of the Standard Assets. However, as a prudent practice, the Company has adopted to make provision of 0.50 percent. Consequently, during the current financial year, the profits of the company are lower by Rs. 106.03 Lacs.

Further, in pursuance to the Company's Board approved policy, the Company is making an additional Floating Provision on Standard Assets of 1.5 percent which will be available for adjustment towards provision for Non Performing Assets/Write offs. Accordingly an amount of Rs. 937.85 Lacs is provided as Additional Floating Provision, which has been partially utilised towards the Provision for Non Performing Assets and Write off to the extent of Rs. 122.47 Lacs and Rs.16.04 Lacs respectively.

34. In the opinion of the Board, the Current Assets, Loans & Advances are realizable in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

35. Subsequent Event

The Board of Directors at its meeting held on 13th May, 2017 has recommended dividend of Re. 0.30/- per equity share on face value of Rs. 2/- per equity share.

36. Previous year figures

Previous year figures have been regrouped and reclassified wherever necessary to confirm to current year's presentation.

As per our report of even date attached
For and on behalf of
KARNAVAT & CO.
Chartered Accountants
Firm Regn. No. 104863W

(Shashikant Gupta)
Partner
Membership No. 45629

Place: Mumbai
Date: 13th May, 2017

For and on behalf of the Board of Directors

Quintin E. Primo III
Non-executive Chairman
DIN 06600839

Sunil Kapoor
Executive Director
DIN 01436404

Rajesh Sharma
Director
DIN 00020037

Bhagyam Ramani
Independent Director
DIN 00107097

Beni Prasad Rauka
Independent Director
DIN 00295213

T. R. Bajalia
Independent Director
DIN 02291892

Gaurang Shah
Associate Director
Finance & Accounts

Harish Agrawal
Senior Vice President &
Company Secretary

Place: Mumbai
Date: 13th May, 2017

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

(₹ in Lacs)

Sr No.	Name of the Subsidiary	Capri Global Housing Finance Limited	Capri Global Resource Private Limited
1	Reporting Period of the Subsidiary if Different from the Holding Company's Reporting Period	NA	
2	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	NA	
3	Share Capital	2,500.00	55.00
4	Reserves & Surplus	1,738.11	-53.80
5	Total Assets	4,593.59	31.42
6	Total Liabilities	4,593.59	31.42
7	Investments	1,285.97	-
8	Turnover	344.55	0.37
9	Profit/(Loss) Before Taxation	109.45	-75.24
10	Provision for Taxation	24.11	-23.65
11	Profit after Taxation	85.34	-51.59
12	Proposed Dividend	-	-
13	% of Shareholding	100	100

Notes:

1 Names of subsidiaries which are yet to commence operations : Capri Global Asset Reconstruction Private Limited

2 Names of subsidiaries which have been liquidated or sold during the year : NIL

Part "B" : Associates and Joint Ventures

Statement persuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures : **Not Applicable**

As per our report of even date attached
For and on behalf of
KARNAVAT & CO.
Chartered Accountants
Firm Regn. No. 104863W

(Shashikant Gupta)
Partner
Membership No. 45629

Place: Mumbai
Date: 13th May, 2017

For and on behalf of the Board of Directors

Quintin E. Primo III
Non-executive Chairman
DIN 06600839

Sunil Kapoor
Executive Director
DIN 01436404

Rajesh Sharma
Director
DIN 00020037

Bhagyam Ramani
Independent Director
DIN 00107097

Beni Prasad Rauka
Independent Director
DIN 00295213

T. R. Bajalia
Independent Director
DIN 02291892

Gaurang Shah
Associate Director
Finance & Accounts

Harish Agrawal
Senior Vice President &
Company Secretary

Place: Mumbai
Date: 13th May, 2017

Notes

CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-executive Chairman
Mr. Quintin E. Primo III

Executive Director
Mr. Sunil Kapoor

Directors

Mr. Beni Prasad Rauka
Independent

Ms. Bhagyam Ramani
Independent

Mr. D. R. Dogra
Independent

Mr. Mukesk Kacker
Independent

Mr. T. R. Bajalia
Independent

Mr. Rajesh Sharma
Promoter

SENIOR VICE PRESIDENT & COMPANY SECRETARY

Mr. Harish Agrawal

AUDITORS

M/s. Karnavat & Co.,
Chartered Accountants
2A, Kitab Mahal,
192, D. N. Road, Mumbai- 400 021

DEBENTURE TRUSTEE

IDBI Trusteeship Services Limited
Asian Building Ground Floor
17, R Kamani Marg
Ballard Estate, Mumbai 400001
Tel. no. (022) 40807000

BANKERS

Andhra Bank

Bank of India

Bank of Maharashtra

Oriental Bank of Commerce

Union Bank of India

Vijaya Bank

REGISTRAR AND SHARE TRANSFER AGENTS

Link Intime India Private Limited
C-101, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083

Tel. No. (022) 49186270
Fax No. (022) 49186060

REGISTERED OFFICE & CORPORATE OFFICE

502, Tower A, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel,
Mumbai 400 013

Tel. No. (022) 40888100
Fax No. (022) 40888170

CORPORATE IDENTIFICATION NUMBER (CIN)

L65921MH1994PLC173469

BOARD COMMITTEE

I. Audit Committee

Mr. Beni Prasad Rauka	Chairman
Ms. Bhagyam Ramani	Member
Mr. Mukesh Kacker	Member
Mr. T. R. Bajalia	Member

II. Corporate Social Responsibility Committee

Ms. Bhagyam Ramani	Chairperson
Mr. Beni Prasad Rauka	Member
Mr. Rajesh Sharma	Member
Mr. Sunil Kapoor	Member

III. Nomination & Remuneration Committee

Ms. Bhagyam Ramani	Chairperson
Mr. Beni Prasad Rauka	Member
Mr. Rajesh Sharma	Member

IV. Operations & Resources Committee

Mr. Sunil Kapoor	Chairman
Mr. Beni Prasad Rauka	Member
Ms. Bhagyam Ramani	Member
Mr. Rajesh Sharma	Member

V. Risk Management Committee

Mr. Sunil Kapoor	Chairman
Mr. Beni Prasad Rauka	Member
Ms. Bhagyam Ramani	Member
Mr. T. R. Bajalia	Member

VI. Stakeholders Relationship Committee

Mr. Beni Prasad Rauka	Chairman
Ms. Bhagyam Ramani	Member
Mr. Rajesh Sharma	Member

Capri Global Capital Limited

www.cgcl.co.in

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