



FULFILLING
DREAMS
UPLIFTING
LIVES

Annual Report
2017-18



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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.

“The purpose of business is to create a customer”

Peter Drucker

Consumer is not just the focus but the reason for existence of any business. However, even today, most organisations prefer to serve customers in a manner that suits their existing systems and processes. Rarely do they see the problem from the consumer's viewpoint and change or modify their existing systems to include them.

The same phenomenon makes it very difficult for existing financial institutions to effectively cater to the needs of the under-served but deserving enterprises and individuals.

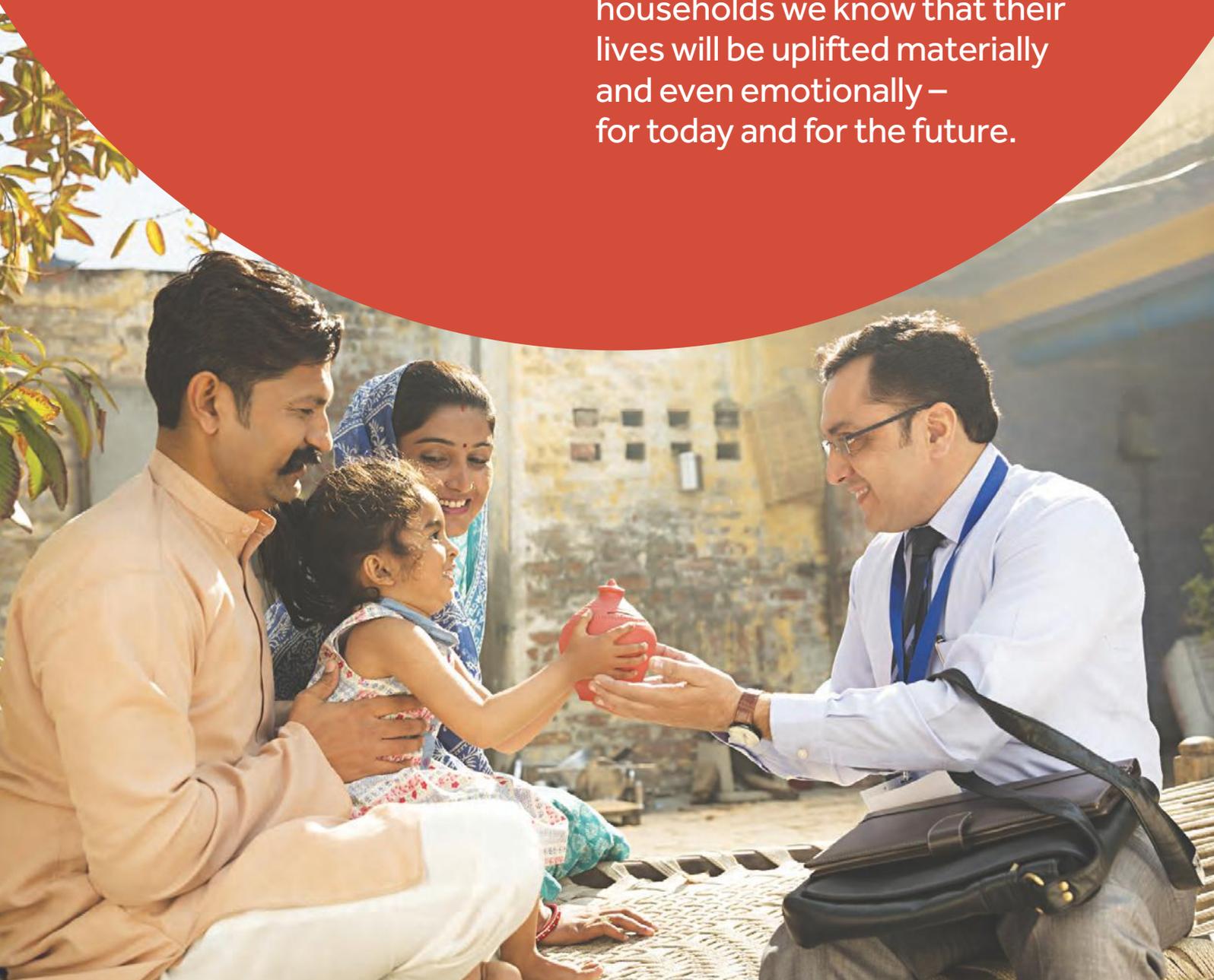
At Capri Global Capital Limited (CGCL) we have taken this hard business reality observation to heart and we have made the customer the centre of all our efforts.

Our objective is to **provide financial support where it is needed the most.**

We see our loans not merely as a financial transaction, but something that **changes lives for the better.**

We want to **fulfil the dreams of India** that are found in every small entrepreneur's efforts and in every household's eyes when they think of a home of their own.

When we support these hard-working entrepreneurs and households we know that their lives will be uplifted materially and even emotionally – for today and for the future.





The core of CGCL

Fulfilling dreams. Uplifting lives.

“The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little.”

Franklin Roosevelt

Our motto is Simpler, Better, Faster lending solutions to the under-served segments of society to propel their growth and quality of life.

India’s demographics of a young population that dreams of sustainable livelihood and housing has created a sense of urgency to push forward the agenda of financial inclusion. CGCL is committed to this paradigm shift of empowering entrepreneurs and home aspirants to fulfil their dreams without worrying about finance.

The Company is focused on secured lending to the low and middle income individuals and micro and small enterprises that have nil or limited access to formal channels of financing. As an emerging player in the buoyant non-banking financing sector, CGCL has already built a strong foundation of infrastructure, people and technology to deliver growth for the next several years.

Transforming into a holistic lending institution

The journey begins... FY2011 - FY2013

- Raised capital of ₹445 crore
- Started Construction Finance
- Ventured into MSME lending
- Alliance with Capri Investment Group (USA)

Building an institution... FY2014 - FY2016

- Branch network expanded to 23 in 5 states
- Employee base of 380
- AUM crossed ₹1000 crore
- Secured Care A+ credit rating
- Bank credit facilities of ₹485 crore

Gaining momentum and credibility FY2017 - FY2018

- Forayed into housing finance
- Branch network jumped to 66
- Workforce of 1350
- AUM of ₹2,61,328 lacs
- Bank credit facilities of ₹1,98,500 lacs
- Raised ₹2,500 lacs through NCDs and ₹45,500 lacs through CPs

We customise solutions

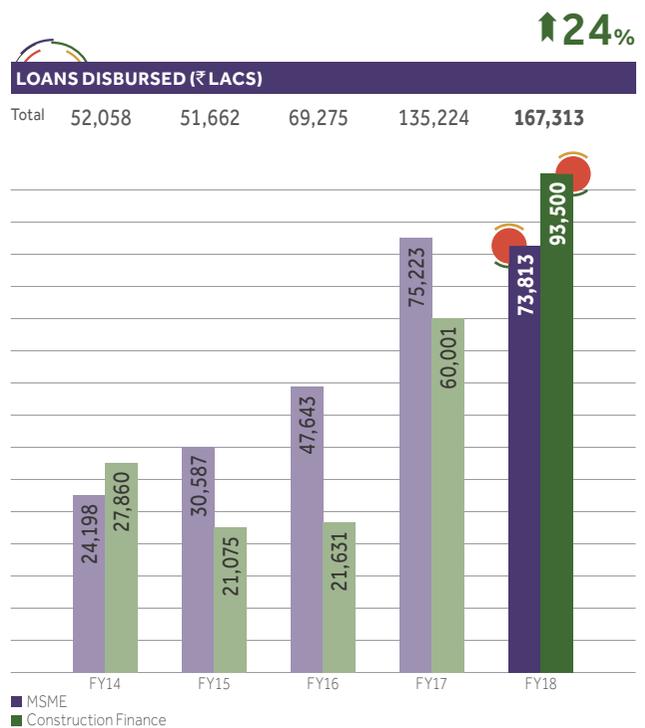
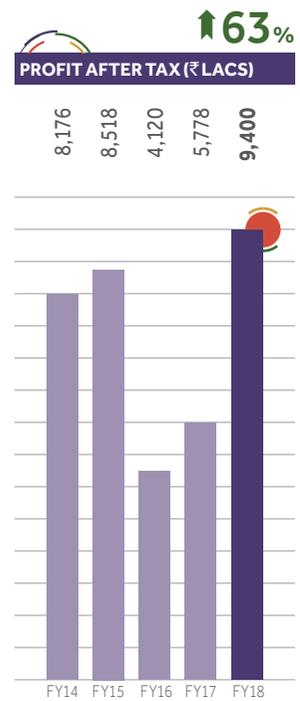
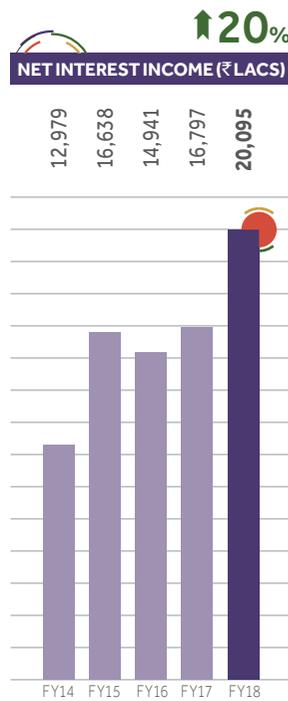
	MSME	Construction Finance	Housing Finance
Product Portfolio	<p>Business loan against Residential/Commercial/Industrial Properties</p> <p>For purchase of Commercial/Industrial Properties</p>	<p>Construction Finance/Project Finance</p> <p>Cash Flow Backed/Asset Backed Financing</p> <p>Structured Debt Instruments with an equity-like upside</p>	<p>Home Loan for Purchase of ready/under-construction residential units</p> <p>Loans for construction/extension/renovation of homes</p> <p>Loans for plot purchase and Home Equity Loans</p>
Ticket Size and Tenor	<p>DSA vertical: ₹50 lacs to ₹200 lacs upto 180 months</p> <p>Direct vertical: ₹5 lacs to ₹50 lacs upto 180 months</p> <p>Average ticket size is ₹26 lacs on the total portfolio with average tenor of 130 months</p>	<p>Between ₹10 crore to ₹25 crore for tenor of 1 to 4 years</p> <p>Average ticket size of ₹9.92 crore with average tenor of 38 months</p>	<p>Metro cities: ₹5 lacs to ₹50 lacs for upto 20 years</p> <p>Non-metros: ₹5 lacs to ₹40 lacs for upto 20 years</p> <p>Average ticket size of ₹11 lacs</p>
Security	<p>First and exclusive charge on collateral property with clean and marketable title</p> <p>Average Loan to Value of ~60%</p>	<p>First and Exclusive charge on project funded, providing physical cover of around two times and net cash flow cover of around 2.5 times.</p> <p>Lending against visible cash flow providing adequate cover towards debt servicing with dedicated escrow mechanism</p>	<p>Loan to Value of 90% for loans upto ₹30 lacs</p> <p>Loan to Value of 80% for loans above ₹30 lacs</p>

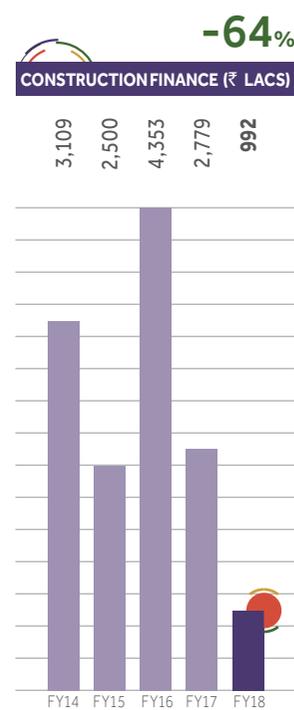
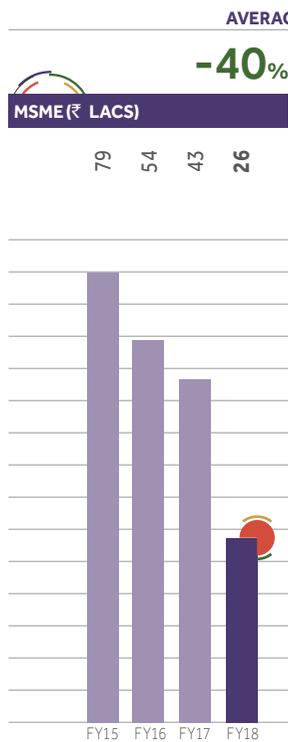
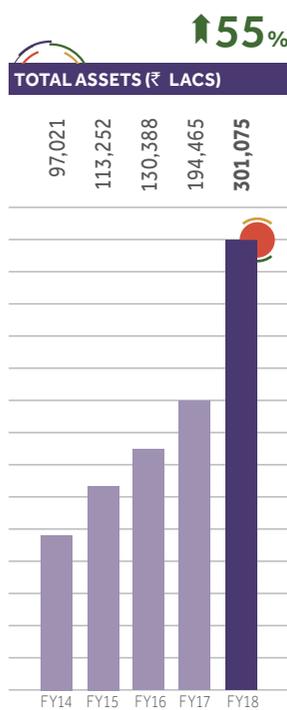
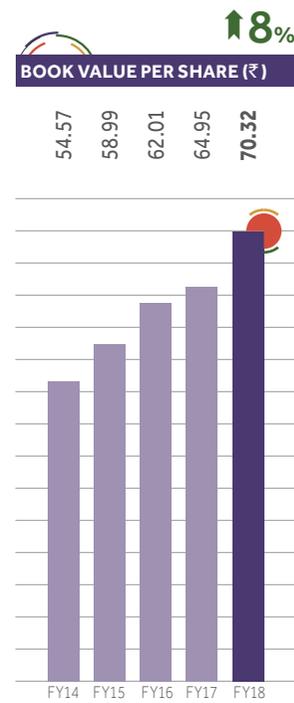
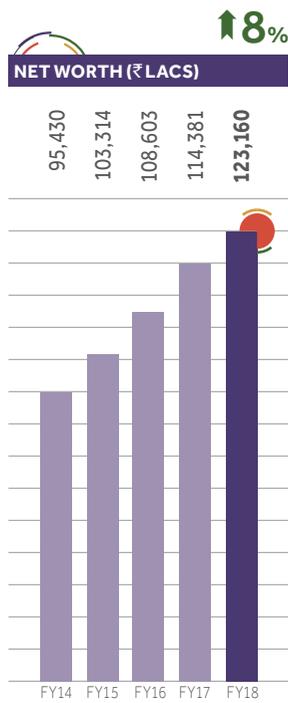
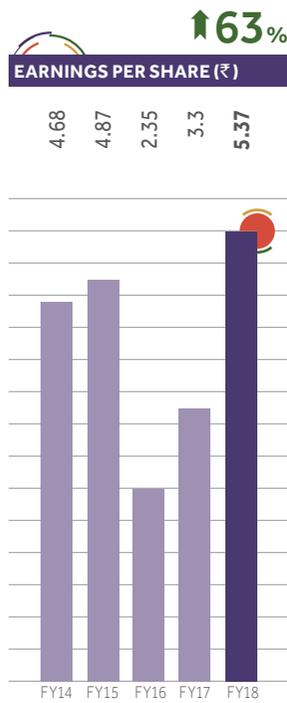
CAPRI LOANS 
Simpler, Better, Faster

CAPRI HOME LOANS 
*Humein Hai Ehsaas
 Ghar Ho Aapke Paas!*



Metrics of growth





Chairman's message



Dear Shareholders,

Global economic growth has become stronger, with the short-term outlook broadly balanced; this presents opportunity for sovereign nations to advance policies and reforms.

The synchronised recovery of developed and emerging economies last year, supported by a pickup in trade and investment activity, has led to an expectation of further growth in the near-term with global GDP growth forecast of about 4%.

This cyclical upswing in global demand has been accompanied by fiscal easing, firming inflation and rising oil and commodity prices. Against this backdrop, central banks of developed countries are likely to begin tightening monetary policies following years of accommodation to support growth post the financial crisis. The pace at which central banks normalise monetary policies, however, will be critical as a sharp tightening will adversely effect valuations of risk assets globally, and potentially cause capital flow reversals in growth markets, such as India. Escalating trade protectionism could lead to further downside for emerging countries. What will help buffer these growth economies from these types of headwinds will be the increased resilience of their financial systems.

India continues to benefit from a strong domestic demand with both private consumption and government spending posting strong performance, while investment activity and exports picked up as the year progressed. The Government of India continues

to spend on social services and public investment by mobilising domestic revenue and increasing spending efficiency. There has been a short-term impact on growth from roll-out of GST and demonetisation, which will be far outweighed by higher tax collection and greater ease of doing business in the medium- to long-term. In the near-term, India will also have to contend with higher oil prices and consequent fiscal prudence, which can be managed to a large extent through responsive macroeconomic policies such as funds flow from strategic divestments. Overall, the growth outlook is upward looking with GDP growth forecasts of anywhere from 7.2% - 7.5% in 2018 and 2019.

I am enthused by the Government's decisive steps to kick-start credit growth to drive investment activity through the recapitalization of public sector banks and the restructuring of overleveraged companies. Digital India, another major initiative of the Government, has become a mass movement touching the lives of the working class and poor – with 300 million 'jan dhan' bank accounts, 1.2 billion biometric based 'Aadhar' identification cards, and 1.2 billion mobile phones – that will advance the country to smart banking. The long-awaited

recovery in credit growth, along with the push towards financial inclusion and digitisation, will reduce barriers-to-entry for enterprises, thus driving employment and prosperity for a vast majority of the population.

In FY2018, the Company refined its business model to emphasize lending solutions for underserved segments of society – the rural and lower middle-class working population. All of our business operations including MSME loans, construction finance and housing finance are focused on this customer base, whose financing needs for business and housing typically lies in the range of ₹5 lacs to ₹35 lacs.

Why do we care about them?

About 85% of CGCL customers are first-generation entrepreneurs, who have availed credit to modernise their businesses.

Entrepreneurship thrives when there is access to affordable, adequate and timely support, both financial and non-financial. Entrepreneurship in growth economies is thus found at the critical intersection of human, financial and social capital. India is a young country, gaining its independence only

NBFCs like CGCL play a crucial role in nation building by offering financial inclusion to micro and small businesses

71 years ago. There are millions of young Indians craving jobs and, moreover, have the potential to be job creators. The country currently has nearly 63 million business establishments; 96% of these are proprietorships, which are unserved or underserved by the formal banking sector. Credits to these small family- and individually-run entities from NBFCs, like CGCL, can lead to their sustainability, moving them out of poverty and propelling them to a better quality of life. We stand committed to realise the dreams of enterprise-led national development by contributing timely and adequate financing, with sensitivity to the often unique needs of our borrowers.

As per IMF, India's GDP would increase by 27% if women's labour participation were increased to match men's. This very well summarises the need to promote gender equality for growth and more equal income distributions. Through our lending activities, we intend to empower women by enabling them to become entrepreneurs and home owners in their own right. I am proud that women account for 15% of our business loan and 8% of home loan customers, but we can and must do better.

I am delighted that our subsidiary, Capri Global Housing Finance Limited has delivered impressive performance in its first full year of operation. With a loan book of ₹24,633 lacs, of which 85% is in the priority sector with average ticket sizes of ₹11 lacs, the ramp-up in our housing finance business has been exceptional. India is still an underserved economy in terms of affordable housing, with over 25% of the country's urban population in need of affordable housing – 90% of them have no formal institutional financing. We are encouraged by the visible financial discipline and organized nature of the affordable real estate industry due primarily to RERA and PMAY, which have made affordable housing more buyer-friendly. With higher transparency and regulation, there will be considerable interest from investors and real estate developers to bridge the demand-supply gap.

I am further pleased to report that FY2018 was a year of high performance marked by 43.86% increase in loan book and 51.62% increase in Total Income. The loan portfolio of the Micro and Small Enterprise segment has grown by 28.46% to ₹1,55,923.35 lacs (compared to ₹1,21,379.55 lacs in the previous year), while renewed focus on affordable housing projects has led to over a 74% increase in our construction finance loan book. Not surprisingly, there has been a significant increase in the number of our customers across the board, and a decline in the average ticket sizes reflecting our diversified loan portfolio and risk management.

As the Company expands our customer base and geographic reach, there is a shift towards a direct-sourcing model wherein our branch network and field personnel have become the direct points of contact with customers. CGCL's on-ground personnel are trained to identify the exclusive needs of such customers, measure their income generation capability, and work closely with them from loan origination, to disbursal, to post-disbursal servicing. By constantly staying in touch with our borrowers, we not only track their business but can also advise them on corrective actions if we perceive early signs of business or financial challenges. Our approach is yielding results – direct sourcing accounted for more than half of MSME business and 100% of affordable housing business in FY2018. We believe direct sourcing will lead to a more sustainable order book on which we can build our future growth.

From a largely equity-funded loan book up to FY2016, we have been successful in tapping debt funding from banks and financial institutions to help fuel growth – total debt funding stood at USD225 million (₹1,46,442 lacs) in FY2018, up from USD112 million (₹72,730 lacs) one year ago. The Company's financial health is strong with a net worth of ₹1,23,160 lacs, while our financial gearing of 1.19 is much lower than industry standards, which we will increase gradually over the next 3 - 4 years.

Looking ahead, I expect FY2019 to be a year of operational excellence, where we will seek to take existing branches to their optimal level of performance with respect to loan disbursements and profitability. In addition, we expect to grow construction finance by financing high quality affordable housing projects; strengthen reporting and add a mobility platform to enhance customer service and reduce turnaround time; and tap new sources of funding to improve return to shareholders. With plans to further deepen our reach in tier 3 and 4 cities with additional branches and the use of technology for loan origination and processing, client service and risk profiling, CGCL is poised for active growth over the next several years.

In conclusion, CGCL aspires to become a financier of choice, where we will partner with entrepreneurs on their path to prosperity. Our social mission is to constantly assist urban poor in improving their standard of living and quality of life. Our corporate social responsibility programmes are designed to address key themes for social development in India such as education, health, training and employment.

I take particular pride in mentioning the immense contribution of our dedicated employees, now over 1350 people, whose hard work and faith have been invaluable in helping the Board and senior management build the Company. I would also like to thank all of our stakeholders for placing their trust in us and also our regulators, for their constant support and guidance.

I also extend my gratitude to all of our Directors for their invaluable input and motivation, which has been instrumental to our journey of growth. Finally, I must sincerely thank all shareholders for your continued support of and trust in our vision. I reaffirm our commitment to build a company which is a leader with respect to performance, and a beacon of integrity and responsibility.

Yours truly,

Quintin E. Primo III
Non-executive Chairman

Managing Director's message

Dear Stakeholders,

Our performance in FY2018 was a consequence of eight years of efforts to build a credible lending institution capable of generating multi-fold growth. Going forward, we are focused on propelling loan book, generating operational efficiencies and improving profitability.

Since we began our lending business in FY2011, we have crossed several milestones in book size, branch network, employee base and fund raising. Our consolidated loan book now stands at ₹2,85,961 lacs while geographical presence and employee count has crossed 66 locations and 1350 respectively. As an NBFC, we have successfully transformed into a multi-product organisation with a solid foothold in micro & small enterprise and affordable housing lending businesses.

We have set big targets for ourselves in order to propel the Company to the next level of mid-sized NBFC and have accordingly aligned goals, strategy and incentives to achieve balanced objectives of growth, quality & profitability.



How are we going to do it?

1. **Fast-growing consumer segment: We have found a niche area of small, so-called 'granular' loans** to deserving albeit first-time loan customers. We are targeting the underserved self-employed entrepreneurs in urban areas and in tier 2/3/4 cities with small ticket size loans. Similarly in affordable housing finance, we are focusing on small loan segment of the market whether for construction finance or housing loan to self-employed individuals. The credit growth

to these customer segments is significantly higher than the overall economic growth, as evidenced by recent trends, due to high latent demand for formal finance.

2. **Higher lending margins: We are reaching our customers directly** thereby eliminating intermediary costs and leveraging technology to reduce low-value work and streamline tasks. We have an efficient distribution system anchored by local presence and branches in locations with favourable demographics. We are

The cornerstones of our growth strategy are (1) small loans, diversified assets (2) Direct sourcing of business and (3) customer centricity

continuously innovating with new products and sales strategy based on feedback from customers and on-ground personnel, as well as exploring new channels to deploy funds. This will progressively reduce delivery costs to more than offset any rate pressure in achieving profitability.

3. **Improve customer service & experience: We are accelerating the credit cycle** to enhance the customer experience through our digital transformation and re-engineering of business processes with appropriate tools & procedures to achieve optimal pricing. Beyond the obvious advantage of greater customer ease in accessing loans, our digital platform will effectively bring higher visibility into the entire lending process allowing for more informed and quicker decision making.

I am pleased to report strong growth across all key metrics during the year. Total standalone income was up 51.62% to ₹36,123.98 lacs driven by higher loan book. During the year, portfolio yield increased due to mix shift towards higher margin products. Profit after tax increased by 62.67% to ₹9,399.98 lacs benefiting from higher interest income and operating leverage from increasing

share of direct sourced business. The delinquencies are well within the industry averages.

It is important for us that our business activities have a positive social and economic impact. So, while we are focusing on building a sustainable loan book, we have kept in mind that it is socially acceptable in terms of the kind of customers we are serving and we provide timely finance without diluting credit norms. To serve the underserved customer segments that generally lack financial documentation, we have devised surrogate methods to gauge their creditworthiness. Direct sourcing allows for deeper relationship with such customers by understanding their credit needs and hand-holding them in loan process.

We recognise that there is a **tremendous scope to improve Return on Equity to our shareholders** by prudently leveraging our balance sheet. To this end, we have gained sufficient ground in terms of relationships with 22 banks as well as capital market participants, and we will further mine these relationships in the foreseeable future to raise growth capital. The uptrend in profitability ratios is expected to continue in future as capital adequacy ratio remains accommodative.

On a final note, **we intend to deliver long-term, sustainable value to all our stakeholders** through our emphasis on quality and profitability; strong culture of compliance; and sensitivity to the social and economic needs of our growing country. Our balance sheet will always be a source of our strength, and with it, will enable us to build a portfolio of durable assets. How we source our customers; how we assess their creditworthiness;

Promotion of first-generation entrepreneurs and women participation are two key social outcomes of our lending activities

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.

I congratulate our team for their performance and give them the challenge of delivering best-in-class results in the years ahead.

Yours truly,

Rajesh Sharma
Managing Director

CONSOLIDATED BOOK SIZE

₹2,85,961 lacs

↑57%



Seeing opportunity in every dream

Small business, big economy

We see opportunity not only for the entrepreneurs but also for the nation – to grow micro & small businesses and create employment and development opportunities for millions every year.

The Micro, Small, and Medium Enterprises (MSME) sector is a nursery for entrepreneurship and a school for innovation. Innumerable medium and large corporates have evolved out of being micro and small. MSMEs are crucial for the success of the national agenda of Financial Inclusion given its size and importance to the nation's economy. Presently, more than 90% of the unserved and under-served enterprises are formal micro enterprises or informal MSMEs.

Access to finance is the key constraint for the growth of MSMEs. There is a huge unmet demand for credit with

credit gap estimated at ₹25 trillion implying significant market opportunity for credit expansion. Banking sector has been unable to meet this demand due to their inability to gauge their creditworthiness, low ticket sizes of loans as well as higher costs due to the need for local presence and thus for a large branch network.

We see opportunity in closing the credit gap for formal and informal MSMEs through our customer centric approach comprising of a rapidly increasing branch network in tier 2&3 locations, technology enablement and multi-layered credit assessment involving non-traditional means as well.

MSMEs IN INDIA

63 million

96% are proprietorships, **20%** owned by women, Majorly in retail trade and micro manufacturing areas

SHARE IN GDP

29%

JOBS CREATED

111 million

LARGE UNMET CREDIT DEMAND

₹25 trillion

CREDIT GROWTH TO MSMEs

12%-14%
CAGR OVER NEXT 5 YEARS

Source: MSME Annual Report 2017-18, ICRA



Even if we assume four family members involved in each enterprise, we see a potential of fulfilling over 250 million Indian dreams.

Small houses, big dreams

The Government of India envisions 'Housing for all by 2022' by building 50 million affordable homes and realising this dream is a step towards building a brighter India.

India is witnessing rapid urbanization with 10 million people getting added to urban population every year taking urban population to 600 million people or about 40% of total population by 2031. This rapid urbanisation has led to an increasing housing problem, particularly for the urban poor.

19 million or about a quarter of total urban households in India live in either obsolescent houses, congested homes, non-serviceable 'katcha' houses or are homeless. Not surprisingly, almost all of this so-called urban housing shortage is concentrated in economically weaker sections (EWS) and low-income groups (LIG). Similarly, in rural areas the requirement for housing is bigger at an estimated 44 million homes.

A recent trend is affordable housing projects increasing to 30% of new launches reflecting positive impact of Government policies, incentives, interest subsidy and regulatory action. Concurrently, affordable housing finance is rising and projected to grow at 30% CAGR creating ₹6.0 trillion opportunity over the next 5 years.

We, therefore, see two opportunities in this housing segment – loans for the householder to purchase affordable homes and construction linked loans for small builders to create housing.

TOTAL HOUSING SHORTAGE IN INDIA

63 million

AFFORDABLE HOUSING DEMAND BY 2022

25 million

OWN SOURCES AND INFORMAL FUNDING AS MEANS OF FINANCING FOR HOMES

91%

OPPORTUNITY FOR AFFORDABLE HOUSING FINANCE BY 2022

₹6 trillion



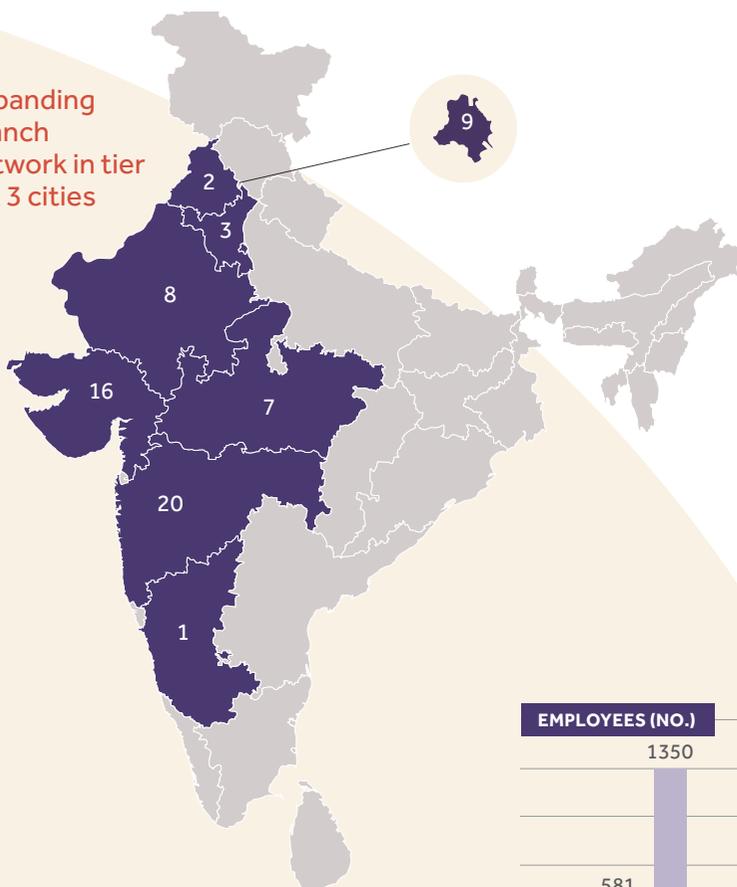
**CGCL stands committed
to helping them
realise their dreams by
providing timely and
adequate finance**

Simplifying access to services

Serving the farthest loan aspirant

Our first priority is building long-term sustainable relationships with our customers by providing highest quality customer service in a prompt and efficient manner. Our branches are the direct point of contact for our customers. This not only takes us to the door of the customer but also makes it easier for the customer to communicate with us.

Expanding branch network in tier 2 & 3 cities



Our rapidly expanding employee base and branch network allows us to serve the large under-served populace through a hub & spoke model with a direct sales channel.

We had to put ourselves in the consumer's shoes to truly understand their constraints and needs and then devise ways in which to uplift their lives

Financial Inclusion

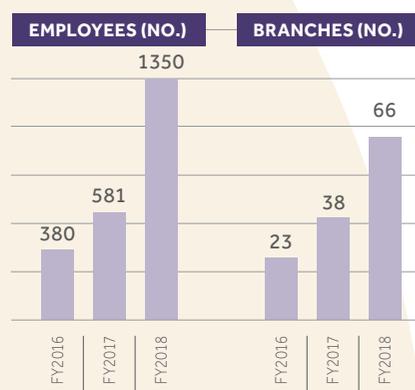
- Local branch presence in tier 2/3 towns
- Use of scorecards and surrogate means to assess income
- Strengthening legal - technical team to better value collateral

Timely Credit

- Field team determines lifecycle credit needs and hand-hold borrowers in loan process
- Centralized credit sanctioning for quick loan disbursal
- Digital transformation for superior customer experience

Adequate Credit

- Special product, 'Sahaj' for the under privileged
- Affordable home loans of less than ₹10 lacs



No loan too small, No idea too big

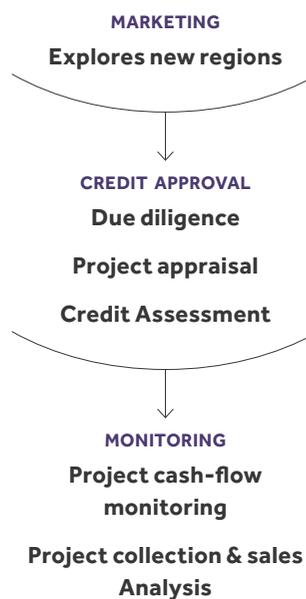
We believe that every idea – big or small, needs timely support if that opportunity is to become a reality, for every dream to become a smile.

We offer financial inclusion to entrepreneurs in micro and small enterprises that have been left out of formal banking system due to lack of regular financial documentation and high cost of servicing. We provide loans of anywhere from ₹5 lacs to ₹50 lacs to retail traders, distributors, small manufacturers, mom & pop stores, etc in locations that adjoin metro and are semi-urban (Tier 2/3/4).

We are focusing on home loans of less than ₹10 lacs to address the significant need for housing in EWS and LIG segment and also rural housing. We are penetrating deeper into tier 3 / 4 markets aligned with locations supported by Government schemes such as CLSS, RHF, etc.

Ensuring the right consumers and projects

We finance RERA registered affordable home projects of up to ₹50 lacs and mid-market homes of ₹50 lacs to ₹1.5 crore. Our teams work in a cohesive manner to not only ensure that we reach out to the right consumers but also that adequate financial prudence is exercised by a solid credit approval system and projects are monitored for timely completion.



**CGCL provides
finances as required
by deserving
customers - from a
few lakhs to even
₹25 crore**

Optimised solutions for different needs

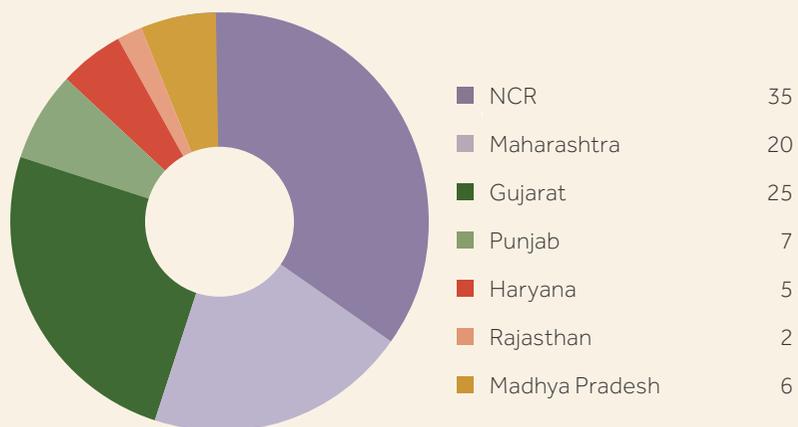
MSME Lending

Vision and Strategy

Our vision is to empower the under-served Micro and Small Enterprises by providing them timely and adequate capital and bring them into the formal financial lending system. We offer small value business loans to a wide spectrum of clients in manufacturing, trade, retail and services sectors.

In the last few years, CGCL has built a sizable presence in Maharashtra, Gujarat and NCR region and is continuing to strengthen business in Rajasthan and Madhya Pradesh by going deeper in these states with more branches.

MSME ASSETS BY GEOGRAPHY (%)



LOAN BOOK
₹155,923 lacs

↑28%

DISBURSEMENTS
₹73,813 lacs

AVERAGE TICKET SIZE
₹26 lacs

CLIENT BASE
6,100

The Company focuses on two broad segment: First, micro enterprises which are primarily self-employed individuals running small business units like provision stores, retail outlets, handicraft, micro-manufacturing units etc. or providing services such as education, transportation, healthcare etc. The ticket sizes ranges between ₹5 lacs to ₹50 lacs. For this segment, the Company has in-house sourcing team through a network of 66 branches/ loan centres.

The second segment comprises of small enterprises with formal income documentation and ticket size ranging between ₹50 lacs to ₹200 lacs. For this segment, Company has a limited presence through 11 branches in only the major cities and sourcing is through the Direct Selling Agents (DSAs) in the market.



Business Strategy

Serving the under-served

With the mission to provide financial inclusion to the large self-employed populace that are not able to access capital from banking channels due to lack of financial documentation, the Company has set up over 66 distribution branches with its own direct sales personnel of over 450 to service these clients in their local setting. CGCL has developed a 'simpler, better and faster' loan processing and disbursement system to service this clientele and grow its asset base.

The Company has created a special loan product "Sahaj" for less privileged sections of the society; specific to their needs and peculiar condition. In general, loans to micro enterprises tend to have high yield and small ticket sizes loans with lower delinquency rates. This helps the Company to diversify its client base, reduce client concentration and improve portfolio quality. CGCL now has a client base of over 6,100 with an average ticket size of ₹26 lacs on micro and small enterprise loans portfolio.

Focus on Tier 2 and 3 cities and towns in key states

The Company is consolidating its position in its target states by building presence in tier 2 and 3 cities and towns to offer financing services at the doorstep of customers and use technology to achieve quick turnaround time. Moreover, sales personnel are typically local recruits who are trained to develop competencies to better understand customer demography, needs and limitations as well as peculiarities of their business and location.

Appropriate credit assessment

CGCL has a comprehensive credit appraisal process in place comprising of both traditional and non-traditional approaches. For micro enterprises, the Company applies algorithms and physical assessment of business to overcome the lack of proper financial statements. The on-ground staff studies the customers' enterprises in detail, conducts thorough background checks and assesses their actual income in keeping with the peculiarities of the business and daily cash flows. All SME loan applications go through detailed cash flow analysis and CIBIL check. Fraud containment cell and legal team work in tandem with credit team to assess the authenticity and legality of all documents including a clear and marketable title of collateral property. All loans are fully secured by way of mortgages and the Company has first and exclusive charge on collateral property with average Loan to Value of about 60%.

Optimised solutions for different needs

Construction Finance

Vision and Strategy

Our vision is to promote the growth of India's affordable and mid-market housing by delivering structured financing at competitive pricing to real estate players.

LOAN BOOK

₹105,405 lacs

↑75%

AVERAGE TICKET SIZE

₹992 lacs

DISBURSEMENTS

₹93,500 lacs

PROJECTS

98

CGCL offers construction linked loans to small and midsize real estate developers for timely and successful completion of their projects. Over the last several years, it has developed a comprehensive framework for project selection and credit appraisal. The Company lends at competitive rates to high quality, multi-family real estate projects.

The year gone by was a productive one with CGCL setting up offices in Surat, Hyderabad and Vijayawada, adding to its existing presence in Mumbai, Pune, Bangalore, Chennai and NCR region. The Company has a systematic expansion plan which involves consolidating its presence in key markets and setting up presence in emerging regions.



Business Strategy

Our business strategy involves prudent selection of projects, transparency in our lending process and strict adherence to our lending parameters. We conduct due diligence throughout the lifecycle of loan, right from selection of project to repayment of loan. Our specialized marketing, credit and monitoring teams work together to assure high quality clients with strong track record and fundamentals.

Prudent project selection

CGCL's project selection process is elaborate due to its twin focus on project quality and track record of promoter. Given the focus on affordable housing projects in urban areas, the selection process is anchored on local market assessment based on parameters like demography, income levels, financial literacy, etc. All loan proposals pass through multiple layers of screening on various qualitative and quantitative parameters like promoter background and track record, project location, status, approvals, market analysis, project cash flows, etc. 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

CGCL has over the years developed an internal rating module which is used by its central credit appraisal team for screening of high quality proposals. Internal rating module is elaborate and captures scores on promoter quality, project quality, cash flow cover and physical cover. Additionally, the Company has deployed credit resources at field level for superior data quality and quick turnaround time.

Robust project monitoring

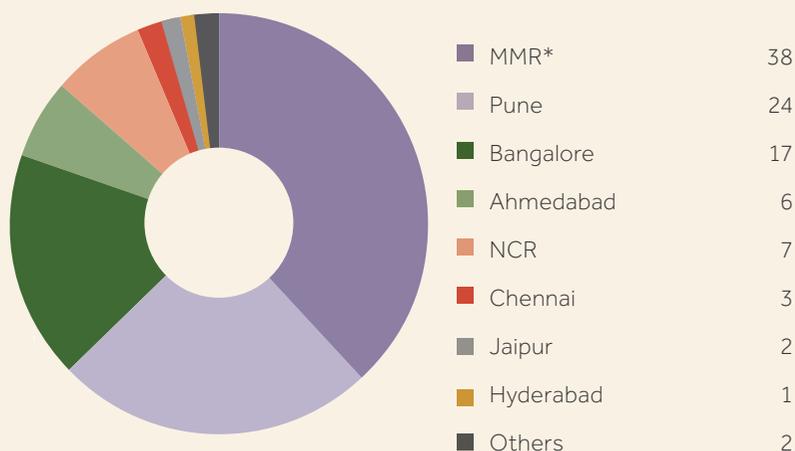
CGCL has instituted a robust standard operating procedure for project monitoring to track project cash flows and detect potential delinquency in loan accounts. It involves tracking monthly project MIS, periodic review of milestones, mapping of project

inventory, sales analysis and cash flow management analysis. This allows timely corrective actions in case of deviation from norms, and ensures cash outflows corroborate with physical progress and project sales as well as acts like preventive mechanism for delinquencies.

Emphasis on portfolio quality

The Company follows a disciplined approach to risk management whereby it is the sole lender to select affordable and mid-size housing projects. Further, selected projects have ticket sizes ranging from ₹1,000 lac to ₹2,500 lac with a tenor of upto 4 years, which facilitates diversification of risk across several projects. The loans are structured to suit the requirements of the project and the promoter as well as to achieve benchmark returns for CGCL.

CONSTRUCTION FINANCE LENDING PORTFOLIO BY GEOGRAPHY - FY2018 (%)



*Mumbai Metropolitan Region

Optimised solutions for different needs

Housing Finance

Vision and Strategy

CGCL's vision is to become a preferred financier in the affordable housing segment.

LOANBOOK

₹24,633 lacs

DISBURSEMENTS

₹29,864 lacs

AVERAGE TICKET SIZE

₹11 lacs

CUSTOMERS

2,620

With a view to expand its product offerings, CGCL ventured into housing finance business in December 2016 through its subsidiary- Capri Global Housing Finance Limited (HFC). The HFC primarily serves the middle and lower middle income population in the Tier 2 and 3 cities and towns with significant untapped potential for affordable housing. HFC relies on its existing and expanding branch network to rapidly grow in the segment.





Business Strategy

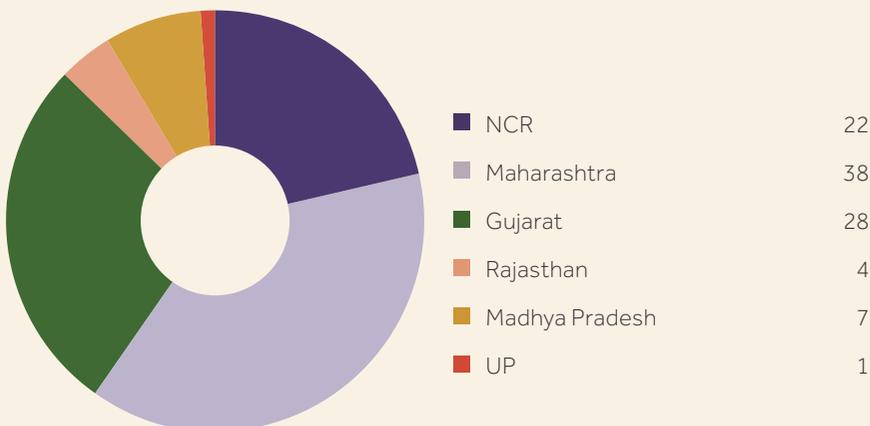
Housing for all

HFC's target home buyers live on the outskirts of metros which are typically semi urban and have hitherto no access to formal means of home financing and are first time home buyers. To reach out to such customers, Company has set up its branch network to penetrate into the outskirts of metros and the Tier 2 and 3 markets that have high activity level in terms of affordable housing projects supported by various Government initiatives. Typical loans have low ticket size of upto ₹15 lacs in the affordable home loan category.

Robust risk management

The majority of HFC's clientele are self-employed with limited financial documentation and/ or first-time home-buyers. CGCL leverages its experience in micro-enterprise financing to conduct a thorough check on the capacity and intent of customers to make regular interest and principal payments. The local credit personnel conduct background checks and assess their income based on the type of business and monthly cash flows coupled with local business dynamics. All loans are secured with residential property as security. Post disbursement, loans are monitored on a regular basis to ensure the customers make payments within stipulated times.

HOUSING FINANCE LENDING PORTFOLIO BY GEOGRAPHY - FY2018 (%)





Empowering lives, enriching future

Promoting self-reliance and having a strong social footprint are the core philosophies at CGCL. By supporting the dreams of millions of fellow Indians, the Company is poised to contribute to the overall growth of the nation. This has been proven by the social impact study conducted by the Company, demonstrating its contribution to the society.



MSME Lending

(This data given below is an outcome of surveys and interviews conducted at the site of 84 customers from a live database of 5731 customers covering 5 states and 11 out of 68 branches across India.)

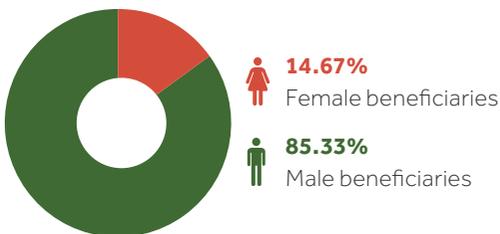
CGCL is financing aspirations of Indian MSME's who are building the real India. It has stayed true to its vision and has truly been a participant in the growth story of these businesses. The Company has supported 6,900 businesses till March 31, 2018

Encouraging Women Entrepreneurs

Women are emerging in the field of entrepreneurship. 14% of all entrepreneurs surveyed by the Company for the study were women. CGCL has facilitated loans to these female entrepreneurs helping them overcome challenges in accessing credit. Even in cases where women entrepreneurs are not primary applicants, it has been observed that more women are taking part in business activities reducing the gender inequity. Women are slowly but surely closing the gap.

All the female entrepreneurs are first generation entrepreneurs who have overcome odds and are running successful commercial ventures. Some examples are: a) selling products through online ecommerce platforms b) operating a successful commercial venture of cleaning industrial tankers while using credit to ensure the business has a net positive impact on environment by recycling water used for washing.

PRIMARY APPLICANTS



Fostering Entrepreneurship

Today, more individuals are leveraging on growing opportunities in the economy and emerging as entrepreneurs. The difference in the number of second generation entrepreneurs and the first generation entrepreneurs is indicative of the changing perception towards entrepreneurship.

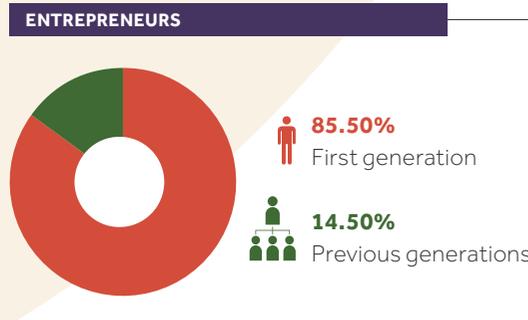
First Generation Entrepreneurs

Credit facilitated by CGCL is being utilised in modernising businesses as per the changing needs and customer preferences. First generation entrepreneurs are diversified into various sectors and found in service, manufacturing and retail businesses. In retail business, customers are modernising their shops making it more attractive and appealing. In manufacturing, newer machinery is purchased for creating newer products differentiating themselves from competition, in other cases for adding capacities to their business.

Second Generation Entrepreneurs

Individuals whose family members were earlier into business either took up their family run traditional businesses such as jewellery, garments and textiles or started their own business. Entrepreneurs who haven't taken up the same business as their family members are pursuing new opportunities. These entrepreneurs have taken credit to make changes to their business and are adapting to the current times.

CGCL has been supporting first generation entrepreneurs in their journey towards success.

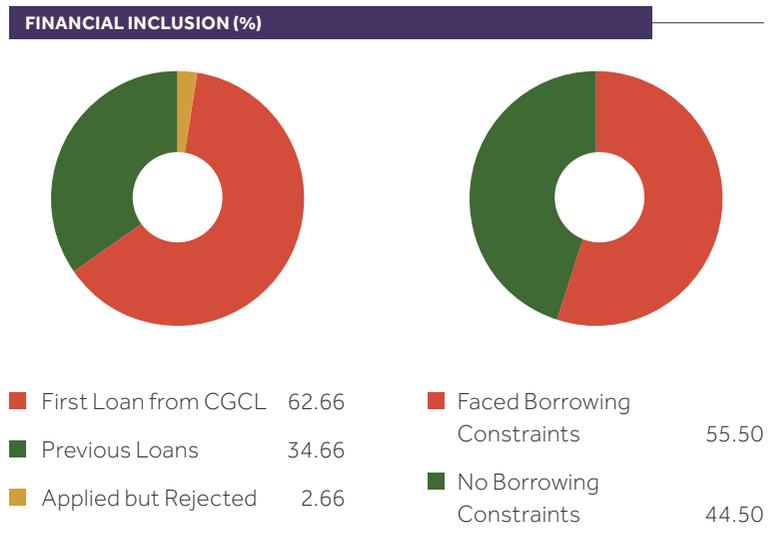


Enhancing Credit History

Customers couldn't access credit because of some of the following borrowing constraints:

- They lacked credit history
- Documentation requirements were difficult to comply
- Applying for loan was a difficult process
- Collaterals were not accepted
- Frequent visits to the bank

CGCL facilitated credit to under-served but creditworthy MSME, extending credit on flexible terms and achieving financial inclusion for the under-served.





MSME CUSTOMERS

6,100

Employment Generation

Employment for Low Income Groups

- Employment generated is largely for Low Income Groups for whom opportunities are minimal bringing some stability to the lives of people at the bottom of the pyramid
- Employers have reported providing benefits along with minimal wages such as:
 - Food and nutrition
 - Accommodation
 - Emergency needs

Female Employment

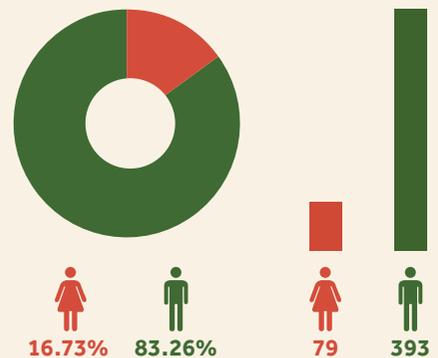


17% of the workforce comprises of females providing opportunities for females and achieving gender equity



25% of the companies who disclosed their employee data have hired females in their organisation

GENDER INCLUSIVITY



More than 470 jobs are sustained and new jobs are created among low income groups in the sample surveyed.

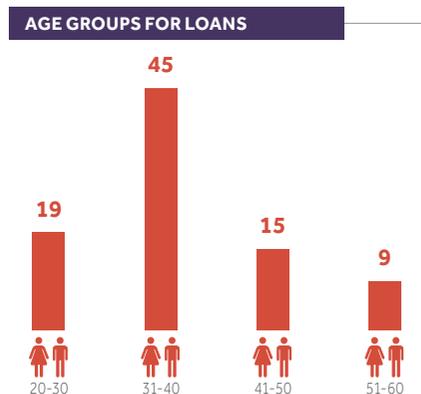
Housing Finance

(This data given below is an outcome of surveys and interviews conducted at the site of 91 customers from a live database of 2500 customers covering 5 states and 10 out of 62 branches across India.)

More than 95% of urban housing shortage pertains to the Economically Weaker Sections (EWS) and Lower-Income Groups (LIG). HFC enables home ownership to these sections of the society who have poor living conditions and lack access to basic amenities. It has supported 2,551 families till March 31, 2018.

Fulfilling Housing Needs for Everyone

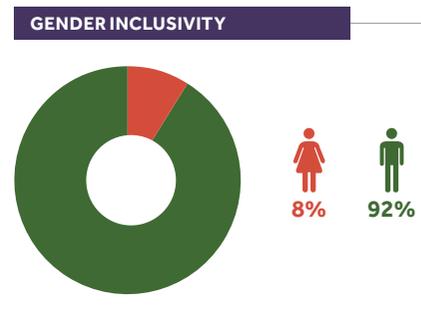
- Housing is a primary need for all the individual families surveyed irrespective of the age group and income category
- The aspiration and need for owning your home is a strong unfulfilled need. However, many lacked access to credit. HFC facilitated credit in these cases



HFC facilitated loans across all age groups between 20 to 60 years at different stages of life cycle

Empowering Women through Ownership

- Home Loans are facilitated to women who are primary applicants
- Ownership of property in the name of women gives them social security and empowers women



Loan to EWS and Underprivileged

Economically Weaker Sections

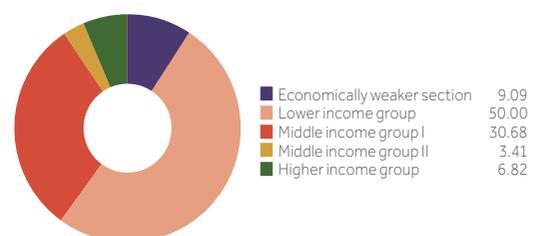
- 10% of the loans sanctioned were for EWS earning less than ₹3 lakh per annum
- 50% of sanctioned loans belonged to LIG who earn less than ₹6 lakh per annum
- Barriers are high for EWS and LIG families in accessing credit as they have no prior credit history and face challenges in documentation

Underprivileged

Loans were sanctioned to individuals from diverse professions and backgrounds such as:

- Private Employees - Service, Manufacturing, Industrial Labour etc.
- Self Employed Non-Professionals - Agriculture and allied activities, Small and Micro Business Owners

LOAN TO EWS AND UNDERPRIVILEGED (%)



LOANS FOR THE UNDERPRIVILEGED



Improved Living Standards

Research studies have shown that lack of access to basic amenities reduces the quality of life. It impacts health and productivity as families spend more time accessing basic necessities rather than being part of any economic activity and are vulnerable to health issues. Safety and security are also major concerns for families as limited resources lead to constant friction within the community creating disharmony.

The assurance and security of owning a home is unparalleled to families. Changes in quality of life and improved living standards are some immediate benefits of owning a house, which many dream of. HFCs initiative of empowering families in realising this dream has generated multi-dimensional impact in their lives. Families now experience qualitative changes in their lives with new housing.

IMPACT ON LIVING STANDARDS (%)

Better Amenities	31.46
Safety & Security	5.62
Friendly Environment	4.49
Savings from Rent	11.24
Good Investment	3.37
Larger Accommodation	26.97
Own Residence	21.35
Reduced Travel	12.36
Social Relations & Neighbours	4.49

Enhancing Credit History

Achieving Financial Inclusion

- 76.13% of the borrowers were first time recipients of a loan and had no previous credit history
- Average loan amount for the sample size stood at ₹13 lacs

Removing Barriers for accessing credit

- Customers reported flexible collateral requirements in acquiring credit thereby achieving financial inclusion
- Customers expressed satisfaction as they received higher loan amounts when compared with other lending channels
- Flexible documentation requirements were also reported



While we have innovated and tried our best to meet the needs of our customers, the final validation lies in what the consumer experience has been.



Mr. Gopal Chaurasia sells Pav Bhaji on a food cart alongside on the pavement at Mira Road, Mumbai. He successfully manages a thriving business while providing employment to others and has built a loyal customer base who relish his Pav Bhaji.

He lived in a rented accommodation and felt their choices including children's education were restricted and wanted to buy a new home and settle down. Gopal and his wife are now the proud owners of a 504 sq.ft. residential flat that meets the needs of his family.

Gopal didn't have access to any loan due to the informal nature of his business and was unsure if he would be eligible for loan until the builder of the property referred him to Capri Global Housing Finance.

Gopal thanks the relationship manager who was very helpful in facilitating the loan for his loan



"New home brought my children closer to better education" he says.

Raghuveer Singh, Jaipur earlier lived in the village in Rajasthan. In his initial days, he worked as a sanitation worker. He now runs a sanitaryware shop and also takes up work as a contractor.

His earlier accommodation lacked space and amenities such as access to a private toilet.

Raghuveer and his wife are illiterate but he always wanted his children to attend school, ensure that they have better opportunities in their lives. The earlier place he lived in was far away from any decent school and he had to spend significant time travelling every day to his work.

Raghu shifted to his new modest one room kitchen home in Jaipur with loan support from Capri. His mother and wife are very pleased with the change in their lives. He is now able to send his children and provide them with the best education he could.

Uma Borkar is a Registered Online Retailer on Indiamart.com and Tradeindia.com and supplies different home care and personal care products such as perfumes, sanitary pads, diapers, cleaning agents etc.

She initially paid door-to-door visits to customers selling perfumes on behalf of a manufacturer.

However, her hard work and persistent efforts were not translating into sales as her customers necessarily didn't need the products she had to offer. She showed tremendous determination by connecting with wholesalers and finally reached the manufacturers herself by following the value chain.

She learned about the opportunity to sell her products online despite no prior knowledge. She taught herself on using the website, contacted the manufacturer, took necessary permission to sell the products herself online and launched herself as a listed supplier on the website. **Her monthly income now averages around fifty five thousand rupees.**



CGCL was a partner in her journey to self-reliance

We've heard repeatedly from our customers that it would have been impossible for them to access loans through formal channel. With CGCL it was easy for them to access credit unlike ever before. Easy to follow processes, timely guidance right from the beginning, delivery of services at their doorstep and fast disbursement of loans is what makes them unique according to the customers. Capri has truly been a participant in the growth story of these individuals and there are greater opportunities to reach out for and become part of the India's growth story and stay true to our vision.



Gajanan Sharma, son of a farmer in Rajasthan was born physically handicapped. His disability never came in way of his aspiration to make a difference in the lives of kids through education. A first generation entrepreneur, he started the Gulab Devi Shikha Samiti School in rural Rajasthan from his savings after working as a tutor. His family and community supported him in realising his vision and invested in him.

Gajanan firmly believes that the path to achieve social equity and justice is only through providing affordable education for everyone. Gajanan struggled to raise funds for a school located in rural Rajasthan delivering affordable and quality education to children in nearby villages.

Today the school has a strength of 950 children with 60% of those enrolled are girls. In a short span of 5 years the school gained credibility as one of the best schools in the area catering to both Hindi and English medium students. CGCL provided a sizeable fund in a short time which is helping him expand. His vision is to start a college for girls and start other branches of his school in under-served rural areas of Rajasthan.



Capri foundation

CSR initiatives of CGCL

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.

Pillars of CSR initiatives



Education



Health



Training



Employment

LIVES CHANGED

650+

“At CGCL, our mission is to empower under-privileged individuals and institutions so that they can become our partner in contributing to nation building.”



Top: Livelihood initiative for specially-abled participants
Bottom: Top: Training adolescents to take care of patients

What DO WE DO?

Scholarship Programme

The 'Capri Foundation Scholarship' programme focuses on identifying and providing financial assistance to meritorious and deserving students from economically challenged background. The programme enables students to pursue their aspirations and realise their potential. This year more than 200 students have benefited across various streams of engineering, graduate courses and allied streams.

200+

STUDENTS HAVE BEEN GIVEN FINANCIAL ASSISTANCE FOR CONTINUING EDUCATION



Skill Development Initiative

Our skill development programmes focus on imparting specialised training to specially-abled people and under-privileged youth by identifying their strength and interest area. CGCL drives these programmes in collaboration with NGOs and social enterprises. The objective of the programme is to equip these individuals with requisite skills and provide them a platform for employment and income generation.

50+

INDIVIDUALS TRAINED IN VOCATIONAL AND SKILL DEVELOPMENT COURSES.



Health, Hygiene and Sanitation Projects

The programme addresses the issue of access to basic rights such as healthcare, water and sanitation. CSR team at CGCL has conducted extensive need assessment of rural schools, to understand the prevailing levels of hygiene and sanitation practised and developed customised solutions. CGCL is on a mission to create Open Defecation Free (ODF) schools with access to safe drinking water. As a part of the second phase of implementation, CGCL will construct sanitation blocks in 10 schools in Bhiwandi block of Maharashtra.

10+

10 SCHOOLS WILL NOW HAVE ACCESS TO SAFE DRINKING WATER AND SANITATION FACILITIES

School Adoption Programme

The school adoption programme is CGCL's flagship programme; the programme aims at supplementing/upgrading existing government or trust run schools in order to create Model Schools. The programme aims to create quality education facilities for children from rural and marginalized communities. The programme catalyses education opportunities through infrastructure, and provision of regular schooling services, computer literacy initiatives and other learning materials. These interventions will eventually lead to increased and holistic access to primary and secondary quality education for children residing in rural areas.



केप्री ग्लोबल कॅपिटल कंपनीचा पुढाकार; सीएसआरमधून संपूर्ण शाळेचे होणार नूतनीकरण ठाणे जिल्हा परिषदेची कुहे शाळा लवकरच होणार डिजिटल!

ठाणे : राहुल क्षीरसागर

गळकी छते, तुटलेल्या अवस्थेतील लाद्या अशी काहीशी दुरवस्था ठाणे जिल्हा परिषदेच्या कुहे शाळेची झाली आहे. या शाळेतील मुलांना दर्जेदार प्रशिक्षण घेता यावे, तसेच त्यांना बसण्यासाठी व शैचाल्यांची सुविधा उपलब्ध व्हावी, त्यांचा सर्वांगीन विकास व्हावा या उद्देशाने केप्री ग्लोबल कॅपिटल कंपनी पुढाकार घेत ही शाळा दत्तक घेवून कंपनीच्या सीएसआर मधून या शाळेच्या नूतनीकरण करण्यात येणार आहे. विशेष म्हणजे जिल्हा परिषदेच्या शिक्षण विभागामार्फत पाच वर्षांसाठी करार करीत जिल्हा परिषदेच्या शाळांतील शैचाल्यांची दुरुस्ती देखिल करण्यात येणार आहे.

ठाणे जिल्हा परिषदेचे शिक्षण विभागामार्फत दरवर्षी अनेक नाविन्यपूर्ण उपक्रम राबवत विद्यार्थ्यांना आकर्षित करण्यात येत आहे. तसेच जिल्हा परिषदेच्या शाळा मोठ्या प्रमाणात डिजिटायझेशन झाल्या असून अनेक शाळांमध्ये विद्यार्थी प्रत्यक्ष टॅब्लेट्स प्रशिक्षण घेत आहे. मात्र, या हायटेक आणि डिजिटायझेशन शाळा होत असताना, दुसरीकडे अनेक

शाळांची दुरवस्थेत असल्याचे दिसून येत आहे. या शाळा सोडून सुविधानीयुक्त असल्यात, येथे शिक्षण घेण्यासाठी येणाऱ्या विद्यार्थ्यांना प्रसन्न वातावरणात शिकत यावे यासाठी जिल्हा परिषदेच्या शिक्षण विभागाच्या वतीने पावले उचलण्या सुरुवात करण्यात आली आहे. त्यानुसार विविध कंपन्यांशी संपर्क साधून कंपनीच्या सीएसआरमधून या शाळा नूतनीकरण करण्याचा प्रयत्न करण्यात येत आहे.

नुकतेच केप्री ग्लोबल कॅपिटल कंपनीने शिक्षण विभागाशी संपर्क करून शाळांसाठी काम करण्याची इच्छा शिक्षणाधिकार्यांसमोर व्यक्त केली. त्यावेळी त्यांनी शाळांची दुरुस्ती, शाळेतील दुरवस्थेत असलेल्या शैचाल्यांची दुरुस्ती, नवीन शैचाल्यांची बांधणी आदी शैक्षणिक कामे करण्यात येणार असल्याचे सांगितले. त्यानुसार नुकतेच या कंपनीचा जिल्हा परिषदेच्या शिक्षणाधिकारी मीना यादव - शेंडकर यांच्या सोबत पाच वर्षांचा करार करण्यात आला आहे. पायलेट प्रोजेक्ट म्हणून पिबंडी तालुक्यातील जिल्हा परिषदेची कुहे ही शाळा दत्तक घेतली आहे.

कसा होणार कायापालट

● केप्री ग्लोबल कंपनीच्या वतीने दत्तक घेण्यात आलेल्या कुहे शाळेचे नूतनीकरण करण्यात येणार आहे. यामध्ये शाळेचे छत बदलणे, रंगरंगोटी, पिण्याच्या पाण्याची व्यवस्था, शाळेतील सर्व वर्ग खोल्या डिजिटल करणार, प्रत्येक विद्यार्थ्याला शैक्षणिक साहित्य असलेली एक किट आणि पाणी फिल्ट्रेशन बसविण्यात येणार आहे.



● या शाळेच्या नूतनीकरणाचा सर्व खर्च कंपनी त्यांच्या सीएसआर फंडातून करणार आहे. मुलांच्या गुणवत्तेत देखील मोठ्या प्रमाणात वाढ होते आहे. त्यामुळे विद्यार्थ्यांच्या शैक्षणिक प्रगतीबरोबरच त्यांच्या स्वच्छतेकडे देखील विशेष लक्ष देण्यात येणार असल्याचे जिल्हा परिषदेच्या शिक्षणाधिकारी मीना यादव यांनी सांगितले.

Date: 01/12/2017, Thane edition

400+

TRIBAL STUDENTS ARE SHOWING IMPROVED ATTENDANCE DUE TO OUR 'SCHOOL ADOPTION PROGRAM'

Sucess Story

As a part of its unique flagship programme, CGCL has entered into a 5 year agreement with the Thane Education Department to roll out the School Adoption programme implemented in Zilla Parishad Schools in Thane District.

The proposed Zilla Parishad School is located in a tribal hamlet in Kuhe village in Bhiwandi taluka of Thane district. It has classes up to 8th standard comprising of 200 students. Since there are no other schools in the vicinity, the entire village is dependent on this one school for education.

The CSR department of CGCL carried out an extensive research on the issues that plagued the school before adopting it. Based on the findings, CGCL decided to undertake a programme of total transformation of the school.

The enthusiasm of the children, teachers and the community of Kuhe is what keeps us going at CGCL. It is not just a school we intend to transform, but also the future of more than 200 tribal children.

Situation of the school pre-intervention

The existing infrastructure of the school was redundant. Water was constantly dripping from the classroom ceilings; and the conditions only worsened during monsoons. Additionally, the school did not have sufficient classrooms to accommodate all the students and the lower grade children had to sit on the floor or under the tree to attend lectures. The quality of hygiene and sanitation practises was equally appalling. The students had to consume water directly from the well and had only 2 semi-functional toilets.

Post-intervention

The situation has drastically improved due to CGCL's intervention. Kuhe Z.P School now has safe and filtered drinking water machine and a concrete sanitation block with separate urinals for males and females. Every classroom of the school has been leak-proofed and has sparkling marble flooring. CGCL plans to scale up the intervention by focusing on quality of education in the succeeding years.

Acknowledging CGCL's unique initiative, Mrs. Meena Yadav, Block Education officer, Thane Z.P said, ***"We thank CGCL for making this possible by adopting and developing Kuhe Z.P School for 5 years under their CSR activity. The students will be largely benefited by better infrastructure and improved learning facilities. Moreover, it has paved the path for creating high impact social projects through collaboration between government and private entities."***

BEFORE



AFTER



Board of directors



1. Mr. Quintin E. Primo III Non-executive Chairman

Mr. 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 under-served 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.



2. Mr. Rajesh Sharma Managing 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.



3. Mr. Bipin Kabra Director - Finance

Mr. Bipin Kabra is an accomplished professional who brings along an extensive experience of over 25 years in BFSI Industry. His area of experience spans over Banking, Insurance and Investment Banking. He joins us from Religare group, where he was serving as the President and Chief Financial Officer of Religare Finvest Limited (NBFC) and Religare Housing Development Finance Corporation Limited (HFC).

Across his career, he has been associated with promoter and professionally run organizations such as Religare, Dhanlaxmi Bank, Reliance, ICICI bank and SBI Capital Markets.

Mr. Kabra is a rank holder of the Institute of Chartered Accountants of India and member of the Institute of Cost Accountants of India.



4. 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., Tata AIG General Insurance Company Limited, IDBI Federal Life Insurance Company Ltd., L&T Hydrocarbon Engineering Ltd., L&T Special Steels and Heavy Forgings Private Ltd. and National Securities Clearing Corporation Limited.



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5. 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 18 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.



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6. 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 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.



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Mr. Dogra serves as Independent Director on the Board of many large companies including S Chand and Company Ltd., Welspun Corp Ltd., G R Infraprojects Ltd., Asirvad Micro Finance Ltd., Sintex Plastics Technology Ltd., Sintex BAPL Ltd., L&T Finance Ltd., Viraj Profiles Ltd., Micro Finance Institutions Network.

7. 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



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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., DMIC Haryana Global City Project Ltd., DMIC Haryana MRTS Project Ltd.

8. 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. Isinox Ltd., Pen India Ltd., India Nivesh Ltd.

Management discussion and analysis



Indian economic review

The financial year 2017-18 began against the backdrop of the demonetisation programme launched by the Government in November 2016. This move had affected the MSMEs, housing and construction sectors distinctly given the predominance of cash in transactions relating to these businesses. With the Reserve Bank of India (RBI) beginning the process of demonetisation; and digitisation also catching on in the subsequent months, the economy moved towards a new equilibrium position. Hence for these sectors, FY2018 was a year of getting back on track gradually as the conduct of business was streamlined.

Following the demonetisation reform, the Government showed resolution in terms of introducing the GST in July 2017 which was another bold measure. This came along with Real Estate (Regulation and Development) Act, 2016 (RERA), a major reform for the real estate industry and thus posed challenges to this sector. The GST was also a major transformation move for the SMEs who had to revisit their operations and restructure them to ensure harmony with the new tax system. Therefore, all the 3 lines of business in which we operate were going through a major metamorphosis in terms of changing the way in which business was conducted.

The Indian economy was not expected to recover strongly this year and with GDP growth slowing down from 8.1% in FY2016 to 7.2% in FY2017, was expected to be below 7% in FY2018 due to these reforms. The growth came in at 6.7% for FY2018. While GST does appear to be a major game changer for the Government in terms of revenue generation as it brings more players under the tax fold, it did lead to considerable realignment for companies which went in for de-stocking in the first quarter of the year and followed up with re-stocking of inventories subsequently. This caused sharp movements in the production cycles, though by the end of the year, these cycles returned to equilibrium under the new regime.

The year was a good one for the economy in terms of the monsoon which

was normal yet again. However, surplus production had its consequences in terms of a decline in prices of farm goods which in turn led to farmer distress. This came in the way of resurrection of demand during the post-harvest months and industrial growth was subdued. Overall industrial growth came in at 4.3% compared with 4.6% in FY2017. The IIP index number is in fact used as a proxy for the informal sector (SME) when reckoning GDP growth emanating from the manufacturing sector with a weight of around 30%.

The SME segment in particular was affected by both demonetisation and GST, and the growth in credit to this segment can be used as proxy for business activity. Bank credit growth to the manufacturing sector for FY2018 was 0.7%. Within this sector, growth to micro and small industry was 0.9% while that to medium industry was -1.1%. Growth to large industry was 0.8%. However, it should be pointed out that large industry also has access to the corporate bond market and external commercial borrowings, which are not practically open to the SME segment.

The construction sector was quite buoyant this year with growth of 5.7% as against 1.3% in FY2017. Construction activity was driven largely by the government sector with the private sector playing a secondary role. Road construction and urban development dominated the Government's agenda, while private sector activity was more in the construction of buildings under the housing banner. The thrust on affordable housing provided some push.

The real estate sector was stable this year and at the margin was affected by both RERA and GST. The combined sector of finance, real estate and professional services registered growth of 6.6% in FY2018 as against 6% in FY2017.

Overall the monetary policy was cautious during the year with the repo rate lowered by 25 bps by the RBI. There was a cautious approach taken on inflationary expectations given the possibility of inflation moving up mainly due to oil prices

as well as house rent component of the CPI index. The indication was that interest rates would plateau out at this level and chances of a rate cut became weaker as the year went by.

Bank credit growth was higher at 10.3% in FY2018 against 8.2% in FY2017. However, the impetus came mainly from the retail segment where growth was high at 17.8%. In case of services, it was 13.8% growth driven in turn by NBFCs with growth of 26.9% and professionals services growing at 12.9%. Clearly, NBFCs has been a channel used for furthering lending given the Non-Performing Assets (NPA) overhang in the banking system.

Inflation was largely under control with the CPI inflation at 3.6% and WPI at 2.9%. This has changed in the current financial year and will be a concern given the rise in oil prices. However, FY2018 was typified by stable prices though core inflation remained above 5% for most of the year. The lower pressure came from declining inflation in case of farm products which helped to keep the index down.

The external situation was mixed with the trade balance widening as exports grew by 10.3% and imports by 21%. The current account deficit for the first 9 months was 1.9% of GDP. The situation was met with higher foreign portfolio investor (FPI) flows of US\$ 26.8 billion and almost US\$ 36 billion through Foreign Direct Investments (FDI) (April-December).

The forex situation appeared comfortable with the rupee remaining steady for most of the year. The rupee started at 64.3 per US\$ and ended close to ₹65 per US\$. The pressure was on rupee appreciation as the dollar weakened in global markets. The RBI had actively bought dollars to stabilise the rupee or the currency would have appreciated faster. The RBI bought US\$ 33.6 billion in net terms during the year which helped to keep the rupee in good stead to compete with other currencies.

The overall performance of your Company needs to be understood against this macroeconomic background.

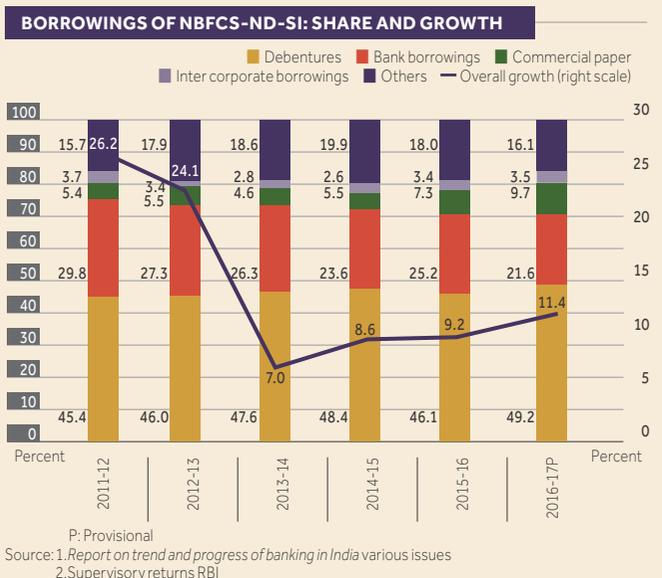
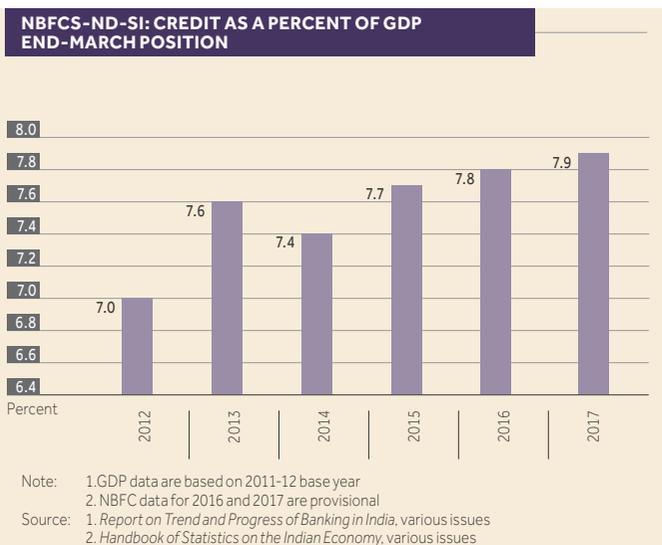
NBFC industry review

Current scenario

NBFCs now account for an estimated 15.5% of the total loans in the financial system, up from 9.5% in March 2008 while NBFCs credit intensity, i.e. credit as percent of GDP, has also increased at a steady pace, reaching 8%. The systemic importance of NBFCs can also be gauged from the fact that NBFCs are the largest net borrowers of funds from the financial system with highest funds received from banks (at 40%), followed by mutual funds (at 37%) and insurance companies (at 19%). The sector has reported fairly high RoAs as compared to banking sector though there has been a decline in last few years in tandem with the asset quality deterioration in the financial system. Overall, the sector's health is sound with capital to risk-weighted assets ratio (CRAR) well above the prescribed regulatory level of 15%.

Recent trends

- Investments into NBFC sector has witnessed diverse structures ranging from strategic investments, private equity investments to debt funding through NCD's route, which provide financial and operating synergy and help NBFCs tap new markets and provide expertise in operations.
- The sector is coming up with newer and innovative business models such as 'account aggregators' and 'peer to peer lending platforms' ("P2P Lending"). Account aggregator is a form of NBFC engaged in collecting and providing information on a customer's financial assets, in a consolidated, organised and retrievable manner. Further, P2P Lending is a form of bilateral lending which uses an online platform to match lenders with borrowers to provide unsecured loans. The new regulations are expected to bring a major shift in crowd funding in India.
- The NBFC sector is also seeing a surge of new structured products like market and credit linked debentures wherein the principal investment of the debenture holder is protected and the interest payment, to be made at maturity, is linked to the performance of an underlying Index or a stock.
- NBFCs are also becoming the go-to lenders for youngsters in India. According to the report by BCG, of the total loans given by financial institutions in India to persons aged between 21 and 35 years, NBFCs had the maximum market share of 49% due to their focus on lower ticket and early credit life-stage products.



Regulatory impetus

The Government has liberalised the financial services sector by permitting 100% FDI in the financial sector under the automatic route, subject to the relevant entity being regulated by the Reserve Bank of India ("RBI") or other financial sector regulators. Further, the benefit of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 was extended to 196 NBFCs allowing such NBFCs to enforce security interests on assets charged to them, without having to resort to either judicial or arbitral authorities. Next in line is harmonising the regulations applicable to various categories of NBFCs to facilitate ease-of-doing business in this sector. The Government is also taking actions towards a technological revolution in this sector by implementing an information technology framework and promoting FinTech activities.

Outlook

While it was expected at the beginning of the year that FY2019 would be better than FY2018 with higher growth being anticipated, the recent increase in oil price and the uncertainty that goes with it has brought in a modicum of caution in expectations. There are signs of inflation picking up which will mean that interest rates will start increasing this year and while the quantum could be between 25-50 bps, the timing will be important.

Further, FY2019 will be a testing time for the banking system as several cases that were referred to the Insolvency and Bankruptcy code (IBC) need to be resolved as the timeline of 270 days has passed. This will give an idea on the amount of capacity that will be there in the PSBs for lending. Quite clearly the NBFCs will have a larger role to play if banks are going to be cautious while lending.

The MSME sector has been reiterated as being the major thrust segment by the Government both in terms of production as well as flow of credit. This is an opportunity for the Company to grow the business. However, competition will increase from both traditional and new channels such as the online platforms launched by Fintech companies. Real estate and construction should also see positive traction this year post RERA and GST impact and this route of 'back to normal' will be a positive for Company.

Companies will be going in for higher investment gradually during the year which will be good for the economy as well as the financial sector. This combined with higher GDP growth and demand for funding augurs well for the Company and it will have to simultaneously hone the risk management practices to meet the challenge.



Market opportunity

Micro, small and medium enterprises (MSMEs) financing

Current scenario

MSME Sector – Moving towards the new Paradigm

The last few years have seen changes in paradigm affecting the MSME financing ecosystem. New innovative models of financing are coming up that are addressing some of the gaps. Technology is seen as having a major impact with the rise of ecommerce and growth of a new class of alternative financiers – fintech companies, crowd-funding, peer-to-peer lending, new age digital NBFCs, (alternate lending platforms) etc. Policy and regulatory reforms are also undergoing a change and steps are being taken to factor-in impact of the above trends.

Given their significant online presence, several modern fintech players are making it convenient for the MSMEs to receive loans. NBFCs with special focus on offering customised loan solutions over online platforms will experience a surge. Creating a disruption in the industry and for good, these alternative lending companies analyse credit worthiness of the sellers using analytics and other scanning metrics like their sales and fulfilment records and can disburse loans in less than 48 hours.

Government initiatives, a major boost

The Government of India has proactively and aggressively taken many steps to move the majority of the population into mainstream banking. The Pradhan Mantri Jan Dhan Yojna has been a big success. Over 30 crore bank accounts were opened since its inception in 2014 and more than ₹665 billion has been deposited in these accounts. This has given a shot in the arm to boost the growth of MSMEs.

India is on the verge of leapfrogging with a vast majority of its population that was disconnected with technology

for decades is suddenly embracing the latest smart technology and leapfrogging directly from Brick and Mortar banking to smart banking. The JAM initiative (Jandhan Aadhar Mobile) is moving majority of account holders to smart banking with over 1.2 billion Aadhar holders and mobile phones.

The Ministry of MSME has identified the need to give the visibility to the larger market that MSMEs need and have taken many initiatives to market the MSME products to the wider market and boost their growth. The technology upgradation scheme focuses on enhancing competitiveness of the sector by building energy efficient technologies and encouraging product certification & technologies mandated as per global standards.

The Implementation of GST is expected to benefit MSMEs not only with simpler tax structure but also with aspects such as improved technology adoption in order to comply with GST system. The 'One Nation, One tax' approach will make India an open market helping MSMEs explore new markets with no or low entry barriers and experience business expansion.

Thrust for MSME in Union Budget 2018-19

Union budget 2018-19 set forth several initiatives for the promotion of MSME including addressing balance sheet stress & financing constraints and employment – incentivising women employment in the formal sector, fixed term employment for all sectors and skilling (PM's Kaushal Kendra Programme). The key ones are:

- The target for lending under the MUDRA Yojana is set at ₹3.3 lac crore vs. ₹1.8 lac crore in FY2017. MUDRA is an institution set up by the Government to provide funding to the non-corporate, non-farm sector income generating activities of micro

and small enterprises whose credit needs are below ₹10 lacs

- Extension of reduced corporate tax rate of 25% currently available for companies with turnover of less than ₹50 crore to companies reporting turnover up to ₹250 crore in financial year 2016-17, to benefit MSMEs
- Contribution of 8.33%-12% of Employee Provident Fund for new employees of MSMEs by the Government for 3 years

Outlook

The credit to MSME is expected to grow at 12-14% over the next 5 years, helped by higher lending by NBFCs. NBFC's share in the MSME credit pie should expand to 22-23% by March 2022 compared to 16% in March 2018.

Micro and small enterprises together account for most of the credit gap, which can be addressed by financial institutions in the near to mid-term. High cost of acquiring customers and lack of alternative tools for assessment has 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 ability to evaluate and understand customers' unique needs and tap into 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 GNPA's (gross NPAs) levels for retail and small and medium enterprises (SMEs) at around 1-2%. NBFCs with their niche positioning, differentiated product offering, good market knowledge and large unmet demand would be able to grow at a healthy rate.

Affordable housing

Current scenario

The Government's recent thrust on affordable housing through policy measures, viz., government incentive schemes, accordance of infrastructure tag, interest subsidy scheme under Pradhan Mantri Awas Yojana (PMAY) have resulted in sharp rise in new housing projects in the affordable segment for low income groups. PMAY envisages 20 million units in urban areas of which 3.1 million units have been sanctioned till December 2017. The Government is also undertaking PPP model for affordable housing where in Government secures land to overcome land related challenges in urban areas. The availability of low cost credit and policies like RERA are infusing fresh buyer interest by making housing affordable and providing higher confidence in timely completion of projects.



According to the McKinsey Report (2010), India will have 40 percent of its population living in urban areas with 68 cities (from 42 currently) with one million plus population by 2030. It estimates that the demand for affordable housing will increase to 38 million housing units in 2030 from 19 million in 2012.



Source: McKinsey Global Institute

Government initiatives

Housing sector is currently on a high growth path propelled by the Government's focus on 'Housing for All by 2022', which intends to close the gap of 50 million units, and its push for affordable housing. The Government has undertaken several measures to boost affordable housing including grant of infrastructure status to affordable housing, thereby allowing developers to mobilise funds from external sources like external commercial borrowings, foreign venture capital investors and foreign portfolio investors.

The Government has taken up the funding challenge for affordable housing. In February 2018, National Urban Housing Fund was approved with an outlay of ₹60,000 crore to finance 'Housing for All' in urban areas for the next 4 years. In addition, there is a significant increase in the planned

spending under the PMAY, from about ₹29,000 crore in FY2018 to ₹64,500 crore in FY2019. The Budget 2018-19 has also proposed a dedicated Affordable Housing Fund in National Housing Bank for rural housing, funded from priority sector lending shortfall and fully serviced bonds authorised by the Government of India.

RBI has over the last few years taken several steps to promote affordable housing, the key among which is making affordable housing loans as eligible under priority sector lending for banks. During FY2018, RBI modified the provisioning or risk-weight norms for home loans to make them cheaper – it cut the standard asset provisioning on housing loans to 0.25% from 0.4%.

In its Monetary Policy Statement of October 2017, the RBI has indicated

that faster rollout of affordable housing programme with time bound single window clearances and rationalisation of high stamp duties by the state governments can support growth. Currently, Madhya Pradesh, Chhattisgarh and Gujarat provide rebates on stamp duty rates levied on housing for the Economically Weaker Segment (EWS), Low Income Group (LIG) and Middle Income Group (MIG).



- **The Real Estate (Regulation and Development) Act, 2016 (RERA):** RERA came into force in May 2017 to protect interests of consumers and enhance transparency in the real estate sector. RERA seeks to address issues like delays, price, quality of construction, title and other changes. RERA requires all state (except J&K) and union territory to have its own regulator and set of rules to govern the functioning of the regulator. 20 states (out of 28) and all 7 union territories have notified RERA till April 2018.

- **Pradhan Mantri Awas Yojana (PMAY):** 'Housing for all' initiative of the Government plans to close the gap of 50 million units by 2022. PMAY, the flagship project, envisages 30 million rural and 20 million urban units of which 3.1 million units were sanctioned and 0.29 million units were completed by December 2017. Among other incentives, PMAY includes a Credit-linked Subsidy Scheme (CLSS), which provides easy institutional credit to EWS, LIG and MIG house holds for purchase of homes with interest subsidy credited upfront through primary lending institutions, effectively reducing housing loan and equated monthly instalments. It provides interest subsidy of 3%-6.5% to home buyers with household income of less than ₹18 lacs and loan amounts of up to ₹12 lacs. The top performing states in CLSS are Gujarat, Tamil Nadu, West Bengal, Maharashtra, Madhya Pradesh and Rajasthan.

Affordable housing finance

The housing finance industry has grown at a rapid pace of about 16% in the last few years to reach a portfolio size of ₹15.3 trillion as of September 2017. Apart from banks which have been financing this segment, Housing Finance Companies (HFCs) have also been able to establish their position accounting for almost 40% of the total housing finance industry. Housing loans comprise two-thirds of the total market and the rest is broadly equally divided between loan against property and construction finance. Overall penetration of mortgage loans continues to remain low, at less than 10% and projected to increase to 14% by FY2022, citing significant growth potential for housing loans.



While the total disbursement of housing loans witnessed a deceleration in FY2017 and H1 FY2018, there has been significant growth for the lower slabs. Housing loans up to ₹10 lacs, a segment associated with affordable housing in tier 2/3/4 cities, are recording robust growth as the number of beneficiaries has increased sharply. There has been a significant increase in new entrants to harness the opportunity in affordable housing.

Responding to policy efforts, affordable housing is currently driving home loan growth in India. Affordable housing market was ₹1.6 trillion in September 2017 growing at 20%+ annual rate and is outpaced only the fast growth rate of smaller & new HFCs who largely focus on affordable housing loans to non-salaried individuals. HFCs in affordable housing segment operate across the yield of 12% - 18%. Additionally, increase in supply and demand in affordable segment supported by tax incentives/subsidy through CLSS has kept the growth and profitability higher.

(₹ in trillion)



Outlook

It is projected that demand for affordable housing will increase to 25 million homes in the period FY2017 to FY2022 in the MIG and LIG categories. The projected increase is 4 times the entire housing stock financed currently and will create a ₹6 trillion opportunity for affordable housing finance and lead to faster pace of growth of over 30%. Policy interventions are likely to keep the growth potential high for the HFCs though there may be some deterioration in asset quality with portfolio seasoning.

Financial review

(₹ in lacs)

	FY2018	FY2017
Total Income	36123.98	23825.75
Profit Before Interest, Depreciation And Taxes (PBIDT)	13861.09	9,938.90
Profit After Tax	9399.98	5,778.48
Loans and Advances	261328.02	181659.64
Interest Income	30013.38	20,200.67
Net Worth	123160.40	114381.00

In FY2018, Total Income was ₹36,123.98 lacs as compared to ₹23,825.75 lacs during the previous year, an increase of 51.62%. The increase was mainly on account of higher interest income resulting from a higher loan book which increased by 43.86% from ₹1,81,659.64 lacs to ₹2,61,328.02 lacs. Additionally, income from processing fee increased due to higher loan disbursements during the year.

Profit After Tax (PAT) was ₹9,399.98 lacs as compared to ₹5,778.48 lacs of the previous year, an increase by 62.67%, even as employee expense, administrative expense and finance cost increased during the year.

During the year, bad debt write-offs were ₹263 lacs, which is much lower than the industry averages considering the loan

book size of the Company, reflecting stringent credit appraisal and portfolio monitoring. Employee benefit expense increased by 33.59% to ₹7,052.77 lacs due to increase in headcount from 581 to 1106 during the year. Administrative expense showed an uptick of 9.86% to ₹3,763.84 lacs.

Finance cost jumped up to ₹9,918.14 lacs from ₹3,796.35 lacs due to higher borrowings through term loan, issue of Secured Redeemable No-Convertible Debentures (NCDs) and Commercial Paper (CP) during the year.

The total amount of bank loan outstanding was ₹1,21,574 lacs as on March 31, 2018 as against ₹60,285.80 lacs a year ago. During the year, the Company raised funds for its working capital and business requirements from various

banks and had sanctioned facilities of ₹1,98,500 lacs as compared to ₹85,500 lacs a year ago. The Company also raised ₹2,500 lacs through issue of NCDs on private placement basis and ₹45,500 lacs through issue of CPs.

Total Assets of the Company stood at ₹2,82,393.86 lacs as compared to ₹1,96,461.50 lacs during the last year, showing an increase of 43.74%. The Company's Net Worth increased from ₹1,14,381.00 lacs to ₹1,23,160 lacs during the year.

Capital Adequacy Ratio (CAR), as of March 31, 2018, stood at 39.29% 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%.



Business review

MSME finance

Annual review

Key portfolio indicators

BOOKSIZE (LACS)
1,55,923
(FY2018)

1,21,379
(FY2017)

↑28%

DISBURSAL (LACS)
73,813
(FY2018)

75,223
(FY2017)

↓1.87%

ATS (LACS)
26
(FY2018)

43
(FY2017)

↓39%

DIRECT SOURCING
55%
(FY2018)

35%
(FY2017)

↑20%

In line with its strategy to achieve wider reach, the Company increased its presence to 66 locations from 38, wherein new branches have been added in tier 2/3 cities. MSME book size increased to ₹1,55,923.35 lacs from ₹1,21,379.55 lacs, an increase of 28.46% from a year ago. Loans to micro enterprises now accounts for about 43% of the total MSME portfolio, up from 25% a year ago as the Company's efforts to build this business via direct sourcing has been successful. Direct sourcing accounted for 55% of total business generated during the year, up from 35% a year ago.

Portfolio quality further improved during the year with an increase in number of customers and decline in average ticket size. Average ticket size (ATS) of the MSME portfolio has declined from ₹43 lacs in FY2017 to ₹26 lacs during the year. Gross NPA increased to 2.23% as compared to 1.47% in FY2017 primarily on account of revised NPA recognition norms from 120 days over due to 90 days overdue.

Outlook

Over the next few years, the Company will progressively reduce reliance on intermediaries and focus on direct sourcing via its branch network. The Company will sweat its existing infrastructure and resources to drive business growth and open new branches in tier 2/3 cities to expand presence in select geographies. Accordingly, share of direct sourcing is expected to increase substantially, client concentration to reduce steadily and operating margins are likely to increase in the foreseeable future.



Construction finance

Annual review

Key portfolio indicators

BOOKSIZE (LACS)
1,05,404
(FY2018)

60,280
(FY2017)



ATS(LACS)
992
(FY2018)

1,200
(FY2017)



DISBURSAL (LACS)
93,500
(FY2018)

60,001
(FY2017)



In FY2018, the Company has reported substantial improvement in its construction finance lending book size while minimising risk through diversification of client base. The Company disbursed loans of ₹93,500 lacs in FY2018 as compared to ₹60,001 lacs a year ago with all new sanctions to affordable housing developers. Book size stood at ₹1,05,404 lacs at the end of year, an increase of 74.86% from a year ago.

In line with its emphasis on portfolio quality, the average ticket size (ATS) has reduced from ₹1,200 lacs in FY2017 to ₹992 lacs in FY2018. This has been achieved by increasing the number of projects to 98 from 37 a year ago while average tenure has remained broadly unchanged at about 38 months. Additionally, the range of ticket size has narrowed between ₹10 crore to ₹25 crore, as compared to ₹10 crore to ₹45 crore a year ago.

Outlook

CGCL has achieved high growth rate in affordable housing segment, a trend that is expected to continue in the foreseeable future given its expansion into tier 2/3 cities. It plans to reach further into high potential states for affordable housing like Telangana and Rajasthan.

Housing finance

Annual review

Key portfolio indicators

BOOKSIZE (LACS)
24,633
(FY2018)

650
(FY2017)

ATS (LACS)
11
(FY2018)

15
(FY2017)

DISBURSAL (LACS)
29,864
(FY2018)

650
(FY2017)

FY2018 was the first full year of operation of housing finance subsidiary, post its launch in December 2016. The loan book at the end of the year was ₹24,633 lacs with an average ticket size (ATS) of ₹11 lacs and average tenure of over 207 months and most of the loans were towards affordable housing.

Outlook

The Company expects to deliver high growth rate in its housing finance business in the foreseeable future on the back of incremental business from smaller towns. It will consolidate its presence in North and West India and drive higher profitability from its existing operations.

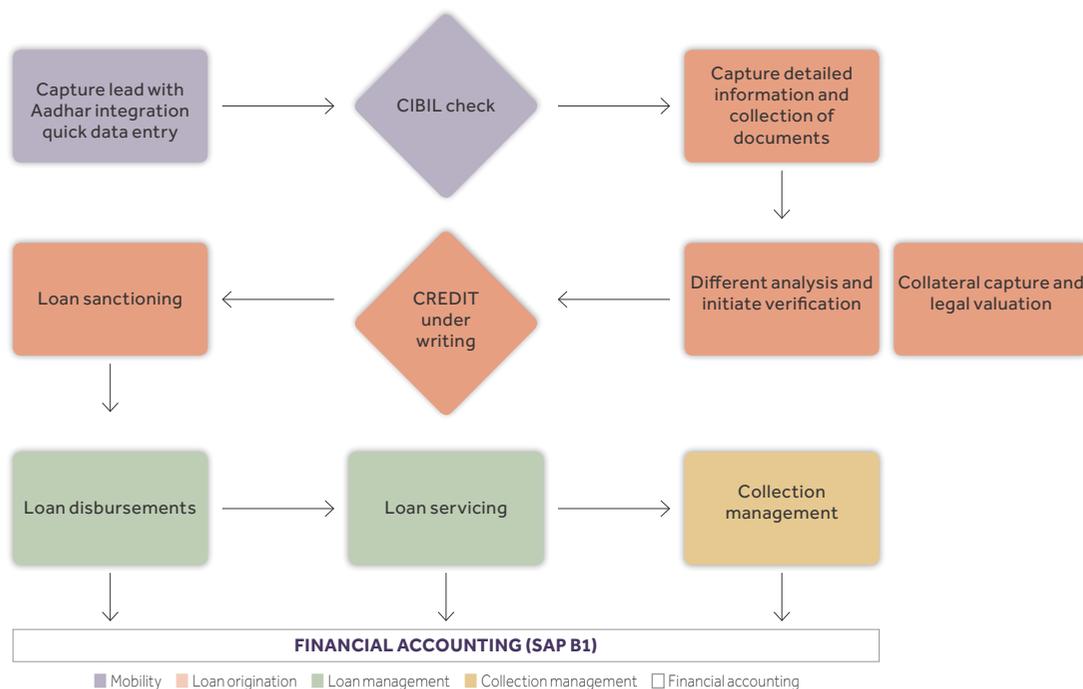
Information technology

During the year, CGCL unveiled its digital strategy to transform its business with seamless business processes and better customer service. The Company is investing in state-of-the-art cloud-based technology to deploy a strong back-end system and a responsive customer portal for enhanced efficiency and deeper relationship with customers.

Digital transformation is a long-term sustainability strategy for CGCL. The Company has implemented a strong technology platform with scalability and full functionality to support growing volume and complexity of the business. A new generation cloud-based platform with features such as mobility, workflow-based rule engine, customer relationship management, document management systems,

collections and collateral modules is being made live in phases. This will bring online all key stages to the lending cycle including capturing customer data, processing loan application and finally servicing of loan by customer. It will provide real-time visibility into the entire lead generation and sanction process leading to higher efficiency and more informed decision making.

LOAN ORIENTATION AND LOAN MANAGEMENT SYSTEM DIAGRAM



During the year, digital loan origination and loan management systems were made live and mobility and collection modules will be made operational early in FY2019. All on-field sales personnel armed with tablets can capture customer data & KYC documents and leverage upon e-authentication, e-KYC and e-sign to speed up turnaround times for loan processing. Further, rule engine will automate the process

of credit appraisal. These together will improve utilisation of assets and manpower resources and lead to superior customer experience. The Company has already implemented SAP solution for core accounting, purchase and inventory, and new reporting tools will feed on captured digital data to present opportunities for operational improvements.

The Company has planned several key initiatives to harness technology for growth of business. The key among these are a responsive customer portal integrated with CRM which will allow customers to transact, track their loan accounts online as well as view documents & receipts online and send service requests; a business intelligence generator to mine customer data and create opportunities for cross-sell; and linkage of digital systems with external lead generators.

Human resource

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



Capri Global Capital Limited

Headcount more than doubled to 1106 employees at 66 locations spread across 8 states

A young and dynamic workforce with an average age of 32 years

Capri Global Housing Finance Limited

Headcount increased to 253 employees at 52 branches spread across 8 states

HR plays an instrumental role in the success of any organisation. The underlying principal of HR strategy is attracting perfect fit for the organisation and then focusing on their development. It also focuses on providing opportunities to the employee to grow and utilise their complete potential. Since the quality of human capital is different in each of its business vertical, hiring and training program are customised as per the business needs.

Training and development

The headcount in FY2018 has seen a surge and at the closing, Company has around 1300 employees on consolidated basis. With increasing manpower and transformational business needs, it was important to strengthen our technological platform. The Company moved to a new loan operating and management system and all employees have been trained to operate over the same platform to excellence. This year, it was crucial to focus on our front runners, i.e., our front-line sales employees for whom specially customised sales online training modules were launched. The objective of these online learning programmes was to enhance their knowledge on the Company's product & policies so that they were well equipped while dealing with customers. Similar online learning modules were launched for credit employees on our HRMS platform.

Employee engagement initiatives

CGCL believes in associating culture and festivity with the crux of engaging employees. In FY2018, there were array of engagement activities such as Diwali, Independence Day, Navratri, Holi and Christmas celebrations. To inculcate the best practices within the employees, we celebrated World Yoga Day, spreading awareness of importance of a healthy lifestyle. The best way to appreciate a woman is to celebrate her individuality and existence and CGCL did the same on Women's Day by rejoicing them.

Performance driven environment

Recognition and appreciation at workplace with due rewards has always been the biggest boost at CGCL, to motivate the employees to work even harder and better. Employees who are associated with CGCL for more than 5 years were acknowledged and celebrated. Our performance appraisal systems have been designed to recognise and reward exceptional performers.



1



2



3



4

1. Women's day celebrations
2. Navratri celebrations
3. Diwali costume mania
4. Sportsmania

Risk management

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 with an approximate headcount of around 311 members comprising of separate credit evaluation, legal due-diligence, and technical and fraud control teams which work under hub and spoke model.

At CGCL, risk management is not just limited to identification and mitigation of standard risks. Risk management runs parallel to all other functions 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 organisation/ 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 & healthy portfolio. The Company has identified the following key risks across the whole value chain of lending process, for which they have stringent checks and balances at every stage 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 results in the following:

- Monetary losses
- Account delinquency resulting in higher bad debts
- Deterioration of capital adequacy
- Loss of goodwill, which in turn effects the credit rating of the Company

Mitigation Strategy: CGCL has designed a robust & dynamic credit appraisal system to minimise the probability of default. Its credit appraisal system follows 3 stringent levels of checks before approving any credit line.

- **Identification & 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 via credit bureau inputs. 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 assess the soundness and long-term viability of any business and the cash flows through a deep financial analysis
- **Collateral Quality** - All loans are fully secured by way of mortgages and the Company has first and exclusive charge on collateral property with average Loan to Value of about 60%

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.

Additionally, in Construction Finance vertical, the Company has a separate internal rating module which generates score on a scale of 5 based on various parameters like promoter quality, location, status, approvals, projects completed & delivered, etc.

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 & 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 on account of lapses in compliance with established norms, regulatory as well as internal guidelines. Lack of adequately skilled employees and a higher attrition rate of key personnel in the organisation are also operational risk.

Mitigation Strategy: CGCL has in place technology-based operational control methods and systems. Credit delivery and administration is monitored through 'Indus Loan System'. Along with this, SAP B1 has been installed for accounting to ensure that the Company is maintaining a strict vigil on all operational parameters. 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.

Liquidity risk

Liquidity risks emanates 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 crises. 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 – Company has a dedicated treasury team to manage liquidity. There is a daily monitoring of funds availability and deployment. The daily reports are submitted to ALCO members, which are reviewed by ALCO and used to make relevant liquidity forecasts on quarterly basis for next 6 months.

The Company has tapped several sources of external funding, including lines of credit from several banks and has raised resources through issue of NCDs/CPs during the year under review. Moreover, its CAR continues to be high at 39.29% and will likely remain significantly higher than regulatory norms over the next several years, which puts CGCL in a strong position to mobilise funds which will allow business growth without any challenges in the future.

Portfolio concentration risk

This category of risk is associated with the concentration of credit in a particular segment of borrowers or products. Skewed exposure in one particular 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: CGCL'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 lending to the well diversified MSME sector and also spread exposure across close to 100 clients in 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

in any particular industry segment or scheme or product. Its extensive & dynamic MIS and internal controls help in continuous monitoring of credit and portfolio risk.

Strategic & 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. CGCL 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 matters of 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.

Interest –rate risks

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 portfolio is built on floating interest rates, but at the same time, Company also adopts blended interest rates structure. Interest rates are primarily market driven and CGCL's interest risk strategy is well adept to the changing market dynamics.

Technology risk

It is an internal risk faced by companies whose processes and operations are driven by extensive technology systems. If the technology investments become obsolete, it impacts the overall turnaround time, slowing down of operations & lower productivity till the time new technology is inducted in the system. It might also lead to cost escalations as additional investments may be required to invest in latest technologies .

Mitigation Strategy: CGCL has numerous IT initiatives in place to tackle any such risks by investing in latest technological systems like Indus Loan Systems and SAP-Basic to name a few. As the Company plans to expand its reach and presence, it has rolled out its digital transformation strategy to meet the challenges of increasing business volumes. With the induction of new branches, MPLS VPN has been introduced for secured networking and high availability. Besides, SSL VPN is there for internet locations. All branches are protected with firewalls. IT department is managed by fully trained IT professionals who ensure smooth operations, maximum uptime and controls. As a part of Business Continuity Plan (BCP), the Company has created distant Disaster Recovery Site (DRS) and full back-up policy is also adopted.

Regulatory & Compliance risk

NBFC's come under the regulatory supervision of RBI and are required to comply with its directions, which keeps on changing considering the market development and systemic requirements. CGCL being listed, is additionally required to comply with regulations, directions issued by Securities & Exchange Board of India (SEBI). Non-compliance of these leads to stringent actions and penalties from the Regulator or Statutory Authorities and also poses a risk to the Company's credibility and goodwill.

Mitigation Strategy: CGCL 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 & fair implementation in the organisation. 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 & ensure strict adherence to corporate and securities market laws & regulations.

Internal control system and their adequacy

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

The Policies & 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 & Controls Matrix defined in respect of all major processes & 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 & processes and that system controls are duly implemented & 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.

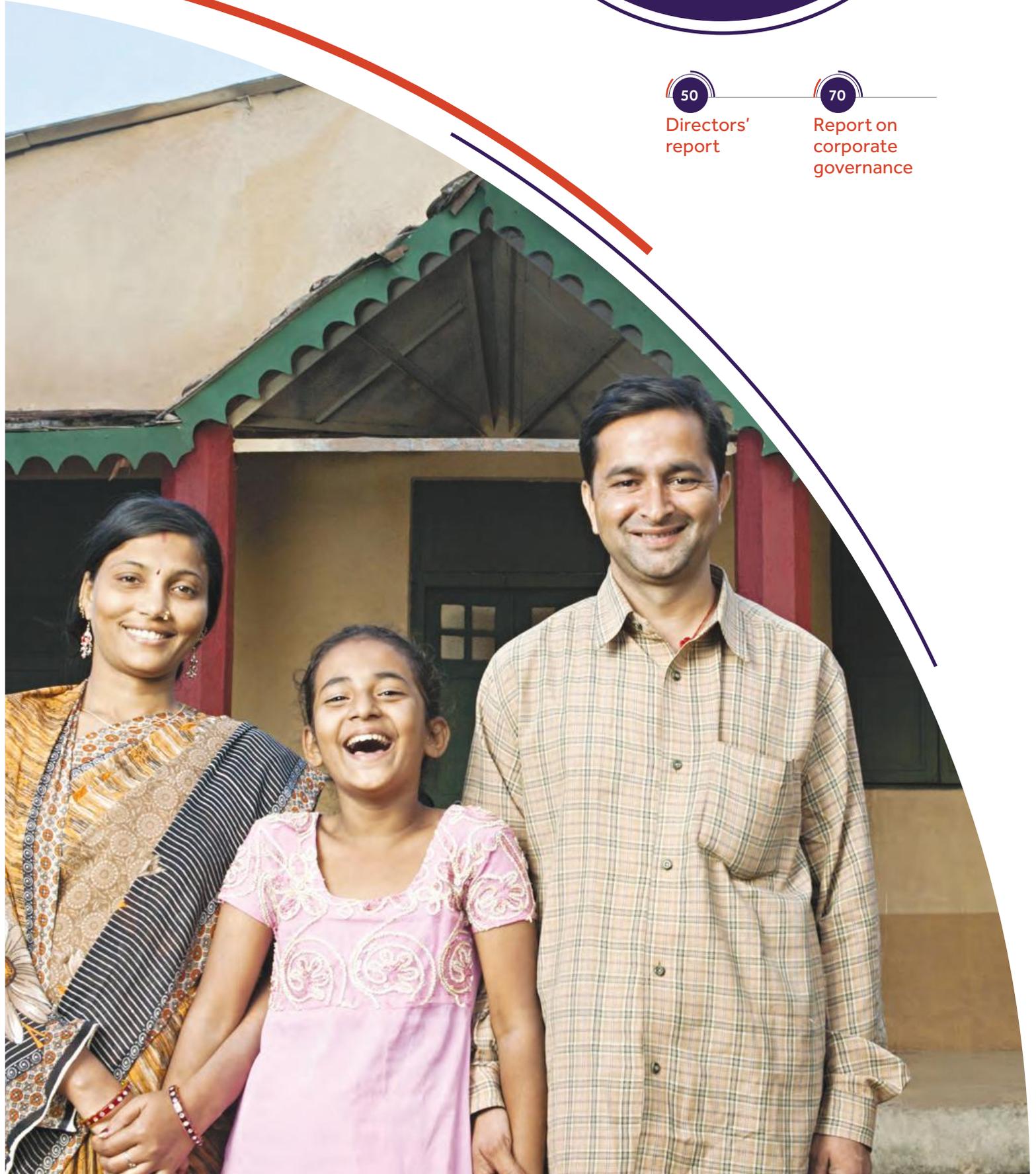
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Report on corporate governance





Directors' Report

Dear Members,

Your Directors have pleasure in presenting the Twenty Fourth Annual Report together with the audited financial statements for the financial year ended March 31, 2018.

Financial Results

The summary of the Company's financial performance, both on a standalone and consolidated basis, for the Financial Year ("FY") 2017-18 as compared to the previous FY 2016-17 is given below:

(₹ in Lakh)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Total Revenue	36,123.98	23,825.75	39,469.74	23,508.72
Less: Operating Expenses & Provisions	12,344.75	10,090.51	14,228.60	9,726.04
Profit before Interest, Depreciation & Taxes (PBIDT)	23,779.23	13,735.24	25,241.14	13,782.67
Less: Depreciation	570.24	419.38	622.49	430.26
Less: Interest & Finance Charges	9,918.14	3,796.35	10,204.22	3,798.70
Profit Before Tax	13,290.85	9,519.51	14,414.43	9,553.71
Less: Provisions for taxation	3,890.87	3,741.03	4,007.59	3,741.48
Profit After Tax (PAT)	9,399.98	5,778.48	10,406.84	5,812.23
Add: Balance brought forward from previous year	45,727.69	41,559.21	47,057.94	42,875.71
Balance available for appropriations	55,127.67	47,337.69	57,464.79	48,687.94
Appropriations				
General Reserve	-	450.00	-	450.00
Statutory Reserve	1,880.00	1,160.00	2,091.00	1,180.00
Dividend Paid	525.40	-	525.40	-
Tax on dividend paid	106.96	-	106.96	-
Balance Carried to Balance Sheet	52,615.32	45,727.69	54,741.42	47,057.94

Results of operations and state of affairs

During the year under review, the total revenue of the Company was ₹ 36,123.98 Lakh as compared to ₹ 23,825.75 Lakh during the previous year, an increase of 51.62%, while the Profit After Tax (PAT) was ₹ 9,399.98 Lakh as compared to ₹ 5,778.48 Lakh of the previous year, an increase by 62.67%, due to higher disbursements, 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 underserved segments. The loan book grew from ₹ 1,81,659.64 Lakh of the previous year to ₹ 2,61,328.02 Lakh, an increase by 43.86%.

Accordingly the loan portfolio of MSME business has grown by 28.46% to ₹ 1,55,923.35 Lakh (previous year ₹ 1,21,379.55 Lakh) and the Construction Finance business loan portfolio has grown by 74.86% to ₹ 1,05,404.67 Lakh (previous year ₹ 60,280.09 Lakh).

The year under review was a year marked by growth in Assets, Financial Resources, Manpower and geographical spread as well as unveiling of digital transformation strategy. The strategies adopted over the several years were fine tuned with marked improvements in performance capturing the learnings on the way.

The Company had adopted a strategy of going more granular and has focused on sourcing small ticket size loans in all its verticals during the year under review. This has led to lower loan average ticket size resulting in better control over delinquencies and better risk spread in the longer term.

The average ticket size for MSME loan has gone down from ₹ 43 Lakh to ₹ 26 Lakh, while the average ticket size for the Construction Finance loan has reduced from ₹ 1,200 Lakh to ₹ 992 Lakh, as compared to the previous year.

The Gross NPA of the Company stood at 1.68% and the Net NPA was at 1.44% as of March 31, 2018, which is well within the industry averages.

The gross revenue on consolidated basis has grown by 67.89% to ₹ 39,469.74 Lakh from ₹ 23,508.72 Lakh of previous year, and the consolidated PAT increased by 79.05% to ₹ 10,406.84 Lakh from ₹ 5,812.22 Lakh of previous year reflecting the first full year of operation of housing finance subsidiary.

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, 2018. The dividend on Equity Shares, if approved by the shareholders at the 24th Annual General Meeting, would amount to ₹ 632.36 Lakh (inclusive of dividend distribution tax amount of ₹ 106.96 Lakh) and will be paid to those members whose names appear on the Register of Members of the Company as on July 23, 2018.

Transfer to reserves

The Company proposes to transfer ₹ 1,880.00 Lakh (previous year ₹ 1,160.00 Lakh) to Statutory Reserve created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934 and none (previous year ₹ 450 Lakh) to General Reserve.

Capital adequacy ratio

Your Company's Capital Adequacy Ratio (CAR), as of March 31, 2018, stood at 39.29% 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 0.40% 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, your Company developed banking relationship with seven Public Sector Banks viz. United Bank of India, Dena Bank, UCO Bank, Punjab National Bank, Indian Bank, Punjab Sindh Bank and State Bank of India; five Private Sector Banks viz. Kotak Mahindra Bank, Karnataka Bank, Yes Bank, HDFC Bank and ICICI Bank; and one Foreign bank viz. Shinhan Bank.

Your Company raised funds for its working capital and business requirements from various banks and had

sanctioned facilities of ₹ 1,98,500 Lakh as compared to ₹ 85,500 Lakh during the last year.

The total amount of bank loan outstanding as on March 31, 2018 was ₹ 1,21,574 Lakh as against ₹ 60,285.80 Lakh on March 31, 2017.

Fund raising through issue of NCD and CP

During the year under review, the Company raised ₹ 2,500 Lakh through issue of Secured Redeemable Non-Convertible Debentures (NCDs) on Private Placement basis. The NCDs are listed on the BSE Limited. The Company also raised ₹ 45,500 Lakh through issue of Commercial Paper (CP).

Credit rating

During the year, Credit Analysis and Research Ltd. ("CARE") has accorded a rating with respect to the bank facilities availed by the Company, as follows:

Nature of Borrowing	Amount	Rating
NCDs	₹ 300 crore	'CARE A+' [A Plus]
CPs	₹ 350 crore	'CARE A1+' [A One Plus]
Long Term Bank Facilities	₹ 2,500 crore	'CARE A+' [Single A Plus]

Unclaimed dividend and unclaimed shares

During the year under review, the Company transferred unpaid dividend, which was not claimed by the shareholders for more than seven years and related equity shares, pursuant to Section 124 of the Companies Act, 2013 and the Rules made thereunder to the account of Investor Education and Protection Fund (IEPF).

Unclaimed Dividend for the financial year 2009-10 amounting to ₹ 37,959/- was transferred to IEPF on October 18, 2017. The Company also transferred the corresponding 33,115 equity shares to IEPF on December 12, 2017, where the dividends for the last seven consecutive years were not claimed by the concerned shareholders.

Unclaimed Interim Dividend for the financial year 2010-11 amounting to ₹ 26,593/- was transferred to IEPF on January 10, 2018. The Company also transferred the corresponding 2,500 shares to IEPF on February 09, 2018, where the dividends for the last seven consecutive years were not claimed by the concerned shareholders.

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, 2018, 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
4. Capri Global Capital (Mauritius) Limited

Performance and financial position of subsidiary companies

During the year under review, Capri Global Housing Finance Limited ('HFC') completed its first full year of operations. The HFC primarily serves the housing loan needs of middle and lower income families, classified as affordable housing. The HFC has earned a Profit After Tax of ₹ 1,054.06 Lakh as compared to ₹ 85.34 Lakh of the previous year. HFC achieved loan book size of ₹ 24,633 Lakh in its first full year of operations.

Capri Global Resources Private Limited (CGRPL) has incurred a loss of ₹ 43.68 Lakh during the year as compared to the loss of ₹ 51.59 Lakh in the previous year.

During the year, Capri Global Assets Reconstruction Private Limited applied for registration with the RBI for undertaking the business as Assets Reconstruction Company (ARC). During the year under review, it has started the ground work for undertaking the business of ARC, hired a competent team and firmed up business plans. Capri Global Assets Reconstruction Private Limited incurred a loss of ₹ 3.45 Lakh during the year.

Capri Global Capital (Mauritius) Limited was incorporated on January 30, 2018 as a wholly owned subsidiary of the Company with the objective of undertaking fund management business. It did not start any business during the year.

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 AOC - I to the Consolidated Financial statement.

In accordance with the provisions of Section 136 of the Companies Act, 2013 ('Act'), the annual financial statements and related documents of the subsidiary companies are placed on the website of the Company viz. www.capriglobal.in

Shareholders may download the annual financial statements and detailed information on subsidiary companies from the Company's website or may write to the Company for the same. Further, the documents shall be available for inspection by the shareholders at the registered office of the Company.

All the subsidiaries are wholly owned by the Company.

Investment in subsidiaries

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

Name of subsidiary company	Amount of capital subscribed (₹ in Lakh)
Capri Global Housing Finance Limited	5000.00
Capri Global Asset Reconstruction Private Limited	249.00
Capri Global Capital (Mauritius) Limited	13.08

Material subsidiaries

There are no material subsidiaries of the Company as at March 31, 2018. However, the Board of Directors of the Company has framed a Policy for determining Material Subsidiaries and the same is available at:

https://www.capriglobal.in/system/pdfs/files/000/000/007/original/Policy_on_Material_Subsidiaries.pdf?1518977736

Directors' responsibility statement

In accordance with the provisions of Section 134(3)(c) of the Act and based on the information provided by the management, 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, 2018 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:

https://www.capriglobal.in/system/pdfs/files/000/000/006/original/Policy_on_Related_Party_Transactions.pdf?1518977720

All RPTs that were entered into during the FY 2017-18 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.27 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 are 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:

https://www.capriglobal.in/system/pdfs/files/000/000/140/original/Corporate_social_responsibility.pdf?1522650119

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. Further, details on the prescribed CSR spend under Section 135 of the Act and the amount committed and spent during the year under review is provided in the Annual Report on CSR activities annexed to this report and marked as **Annexure I**.

Risk management framework

The Company has constituted Risk Management Committee in addition to the Assets Liability Management Committee (ALCO). The Company and its subsidiaries have a risk management framework and Board members are informed about risk assessment and minimization procedures during periodical review to ensure management controls risk by means of a properly designed framework. 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 meeting.

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. Sunil Kapoor (DIN 01436404), resigned as an Executive Director on the Board of the Company, effective July 4, 2017. The Board, places on record its appreciation for the contribution and services rendered by Mr. Sunil Kapoor during his tenure as an Executive Director of the Company.

Pursuant to the provisions of Section 161 of the Act and based on the recommendation of the Nomination and Remuneration Committee, Mr. Bipin Kabra (DIN 02879448) was appointed as an Additional Director of the Company with effect from July 17, 2017 by the Board. Approval of the members for appointing him as a Director - Finance of the Company is being sought vide requisite resolution in the Notice convening the Annual General Meeting.

Pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and as per the recommendation of the Nomination and Remuneration Committee of the Board, Mr. Rajesh Sharma (DIN 00020037) was appointed as Managing Director of the Company by the Board of Directors of the Company at its meeting held on July 04, 2018 for a period of five years. Approval of the members for appointing Mr. Rajesh Sharma as Managing Director is being sought vide requisite resolution in the Notice convening the Annual General Meeting.

In accordance with Section 152 of the Act and the Articles of Association of the Company Mr. Quintin E. Primo III (DIN 06600839), Director will retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment, and his re-appointment is recommended by the Nomination and Remuneration Committee of the Board.

As at March 31, 2018, the Company had five Independent Directors including one Woman Director.

The Company has familiarized 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:

<https://www.capriglobal.in/system/pdfs/files/000/000/009/original/Familiarisation-Programme-for-Independent-Directors.pdf?1518977768>

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.

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 Directors seeking appointment / 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, 2018, the Company had the following KMPs:

1. Mr. Bipin Kabra—Director - Finance
2. Mr. Harish Agrawal – Company Secretary

Nomination and remuneration policy

The Board of Directors of the Company has, on the recommendation of the Nomination & 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

During the year under review, the Nomination and Remuneration Committee granted 15,82,500 stock options to senior management employees of the Company, which would vest over a period of five years starting from the completion of third year of their service. No employee was granted options equal to or in excess of 1% of the total issued and paid-up share capital of the Company as on the date of grant.

The applicable disclosure as stipulated under the SEBI (Share Based Employee Benefits) Regulations, 2014 and any amendments thereof as on March 31, 2018 with regard to Employees Stock Options scheme is put up on the website of the Company at link:

https://www.capriglobal.in/system/pdfs/files/000/000/159/original/ESOS_Details_2017-18.pdf?1529059917

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 third Annual General Meeting (AGM) held on July 17, 2017 appointed M/s. Deloitte Haskins and Sells LLP, Chartered Accountants, as the Statutory Auditors of the Company to hold office from the conclusion of Twenty Third AGM till the conclusion of Twenty Eighth AGM, subject to ratification of their appointment at every AGM.

The Central Government on May 7, 2018 has notified provisions of Companies (Amendment) Act, 2017 and pursuant to the notification; there is omission of the provisions with respect to ratification. Hence, ratification of appointment of Auditors is dispensed with in the ensuing AGM Notice.

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. Secretarial Audit Report does not contain any qualifications, reservations or adverse remark.

Disclosures

Board Meetings

Four 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 meetings held during the year are disclosed in the Report on Corporate Governance. Four 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 meetings 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 meetings 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:

<https://www.capriglobal.in/system/pdfs/files/000/000/008/original/Whistle-Blower-Policy-Website-1.pdf?1519047454>

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

The 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 ₹ 32.56 Lakh (previous year ₹ 46.85 Lakh) 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

The 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

During the year, there were 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 or any other regulator during the year under review.

Reserve Bank of India Directions

Your Company is categorized 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.

Dematerialization of Equity Shares

Equity Shares of the Company are compulsorily tradable in electronic form. As on March 31, 2018, 99.98% of the Equity Shares are held in electronic form and only 33,410 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 dematerialization.

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 complaint in this regard.

Change of Registered Office

During the year under review, the Company shifted its Registered Office from 1-B, Court Chambers, 35 Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400020 to 502, A Tower, Peninsula Business Park, Lower Parel, Senapati Bapat Marg, Mumbai 400013 with effect from June 1, 2017.

Secretarial Standards

The Company has complied with the applicable provisions of Secretarial Standards issued by The Institute of Company Secretaries of India.

Acknowledgements

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.

For and on behalf of the Board

Rajesh Sharma

Managing Director

DIN: 00020037

Place : Mumbai

Date: July 04, 2018

Bipin Kabra

Director - Finance

DIN: 02879448

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 programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

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 socio-economic impact. CGCL is on a mission of creating a social impact through diverse CSR activities and firmly believes that the mandate of our company does not end with multiplying returns for our shareholders but must fulfil larger responsibility towards the society. Company strives to have a positive impact on the communities in which we live and operate. The Company's CSR initiative has been directed to provide to the most economically and socially marginalized people, particularly children, women and the differently-abled, an easy access to better education and vocational training. For more information please refer CSR policy: https://www.capriglobal.in/system/pdfs/files/000/000/140/original/Corporate_social_responsibility.pdf?1522650119

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
- c. Health

The policy was revised in October 2016 to broaden the scope of the CSR interventions. Capri Shiksha Yogdan and Capri Vidya Abhiyan programs were merged into Education Program and Capri Rojgar was retitled as Livelihood Initiatives.

2. The Composition of the CSR Committee:
 1. Ms. Bhagyam Ramani-Chairperson
 2. Mr. Bipin Kabra- Member
 3. Mr. Beni Prasad Rauka- Member
 4. Mr. Rajesh Sharma- Member
3. Average net profit of the Company for last three financial years: ₹ 9,414.70 Lakh
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 188.29 Lakh.
5. Details of CSR spend for the financial year:
 - a) Total amount spent during the financial year: ₹ 188.29 Lakh
 - b) Amount unspent, if any: NA

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

(₹ in Lakh)

Sr. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) project or program wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Contribution to the corpus of Capri Foundation towards CSR activities	Various sectors covered by Clauses specified under Schedule VII of the Companies Act, 2013	For the projects to be implemented in identified areas	107.95	Direct – NIL Overheads - NIL	107.95	Through Implementing Agency- 107.95 Contribution to corpus of Capri Foundation*

(₹ in Lakh)

Sr. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) project or program wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
2	Education – Capri Scholarship Initiative	Clause (ii) of Schedule VII - Promoting Education	1. Maharashtra – District- Mumbai, Palghar, Thane 2. Gujrat – District- Kutch, Ahmadabad, Banaskanth 3. Delhi – District – New Delhi	25.8	Direct –25.8 Overheads – NIL	25.8	Through Implementing Agency – 25.8 (*Capri Foundation Partners - Indian Association of Promotion of Adoption)
3	Education – Capri School Adoption Initiative	Clause (ii) of Schedule VII - Promoting Education	Maharashtra – District – Thane, Palghar	36.27	Direct –36.27 Overheads – NIL	36.27	Through Implementing Agency – 36.27 (*Capri Foundation Partners- Swami Vivekanand Education Prathisthan)
4	Health – Capri Health Care Initiative	Clause(i) of Schedule VII - Health Care	Maharashtra – District –Mumbai, Nasik	3.0	Direct – 2.0 Overheads – NIL	2.0	Direct: 1.0 Through: Implementing Agency *(Capri Foundation – 1.0)
5	Livelihood – Capri Skill Development Initiative	Clause (ii) of Schedule VII - Promoting vocational education	Maharashtra – District – Mumbai	5.86	Direct –6.86 Overheads – NIL	6.86	Through: Implementing Agency *Capri Foundation – 6.86 (Partner Asmita, I-Care)
6	Administrative cost	Allowed under Rule 4, sub-rule 6 of CSR Rules 2014		9.41	Direct – NIL Overheads – 9.41	9.41	Direct: 9.41 Through Agency: NIL
	Total			188.29	188.29	188.29	

*Capri Foundation is an implementing organization, on a mission of creating a positive social impact through implementing innovative CSR activities and development programs. Capri Foundation is registered under Bombay Public Trust 1950 Act and was established to undertake CSR activities of the Company in October 2014.

- In case the Company has failed to spend the two percent 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
- 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.

Mr. Bipin Kabra
Director - Finance
DIN: 02879448

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

Place : Mumbai
Date: May 26, 2018

Annexure II

Secretarial Audit Report for the Financial Year Ended March 31, 2018

{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
502, Tower A,
Peninsula Business Park,
Senapati Bapat Marg
Lower Parel,
Mumbai – 400 013

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 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, 2018 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 made 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, 2018 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 records 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. The Company has appointed Chief Financial Officer (CFO) pursuant to section 203 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Remuneration) Rules, 2014 on 17th July, 2017.

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 systems 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 made following specific actions having a major bearing on the Company's affairs in pursuance of the above referred laws,

rules, regulations, guidelines, standards, etc.:

1. The Company has issued and allotted 1000, Secured Redeemable Non Convertible, Non Cumulative Debentures of ₹ 10,00,000 each aggregating to ₹ 100,00,00,000 (Rupees One Hundred Crore) on 27th March, 2018 on receipt of debenture application money of ₹ 25,00,00,000 (Rupees Twenty Five Crore).
2. Consent of the Shareholders obtained at the Annual General Meeting held on 17th July, 2017 for the following:
 - a. To issue Secured/Unsecured Non Convertible Debentures on private placement basis for an amount not exceeding ₹ 750 Crore pursuant to the provisions of section 23,42 and 71 of the Act.
 - b. To borrow in excess of the paid up capital and free reserves provided that the total amount so borrowed shall not exceed ₹ 3,000 Crore pursuant to section 180(1)(c) of the Act.
 - c. To create security on the assets of the Company pursuant to section 180(1) (a) of the Act.
 - d. For adoption of Articles of Association of the Company pursuant to section 14 and other applicable provisions of the Act.
 - e) To enable the Company to covert loan into Equity Share Capital of the Company pursuant to section 62(3) of the Act.

For **PRS Associates**
Company Secretaries

Sanjay Shringarpure
Partner
FCS No: 2857
COP No: 6107

Date: 26.05.2018

Place: Mumbai

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.

Annexure 'A' to Secretarial Audit Report

The Members,
Capri Global Capital Limited
502, Tower A,
Peninsula Business Park,
Senapati Bapat Marg
Lower Parel,
Mumbai – 400 013

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 produce 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.

For **PRS Associates**
Company Secretaries

Sanjay Shringarpure
Partner
FCS No: 2857
COP No: 6107

Date: 26.05.2018
Place: Mumbai

Annexure III

MGT-9

Extract of Annual Return as on the Financial Year Ended March 31, 2018

[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	15 th 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	502, Tower A, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, India Tel: +91 22 4088 8100; Fax: +91 22 40888170
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)
4.	Capri Global Capital (Mauritius) Limited C/o. Gfn Corporate Services Ltd., 6 th Floor, Gfn Tower, 42 Hotel Street, Cyber City, Ebene 72201, Mauritius	153329	Subsidiary	100.00	2 (87)

*Address: 502, Tower A, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai 400 013

IV. Share holding pattern (Equity share capital breakup as percentage of total equity)

i) Category-wise Shareholding

Sr. No.	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	45900835	0	45900835	26.21	45900835	0	45900835	26.21	--
b)	Central Govt.	0	0	0	0	0	0	0	0	
c)	State Govt.(s)	0	0	0	0	0	0	0	0	
d)	Bodies Corporate	83557455	0	83557455	47.71	85341703	0	85341703	48.73	1.02
e)	Banks / FI	0	0	0	0	0	0	0	0	
f)	Any Other	0	0	0	0	0	0	0	0	
	Sub-Total (A)(1):	129458290	0	129458290	73.92	131242538	0	131242538	74.94	1.02
2)	Foreign									
a)	NRIs -Individuals	0	0	0	0	0	0	0	0	--
b)	Other - Individuals	0	0	0	0	0	0	0	0	--
c)	Bodies Corporate	0	0	0	0	0	0	0	0	--
d)	Banks / FI	0	0	0	0	0	0	0	0	--
e)	Any Other	0	0	0	0	0	0	0	0	--
	Sub-Total (A)(2):	0	0	0	0	0	0	0	0	--
	Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	129458290	0	129458290	73.92	131242538	0	131242538	74.94	1.02
B.	Public Shareholding									
1)	Institutions									
a)	Mutual Funds	0	0	0	0	0	0	0	0	--
b)	Banks / FI	0	0	0	0	95722	0	95722	0.05	0.05
c)	Central Govt. (IEPF)	0	0	0	0	35615	0	35615	0.02	0.02
d)	State Govt.(s)	0	0	0	0	0	0	0	0	--
e)	Venture Capital Funds	0	0	0	0	0	0	0	0	--
f)	Insurance Companies	0	0	0	0	0	0	0	0	--
g)	FIs	15900868	0	15900868	9.08	13806443	0	13806443	7.88	(1.2)
h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	--
i)	Others (specify)	0	0	0	0	0	0	0	0	--
	Sub-Total (B)(1):	15900868	0	15900868	9.08	13937780	0	13937780	7.96	(1.12)
2)	Non-Institutions									
a)	Bodies Corporate									
i)	Indian	21440812	1000	21441812	12.24	22478756	1000	22479756	12.83	0.59
ii)	Overseas	0	0	0	0	0	0	0	0	--
b)	Individuals									
i)	Individual Shareholders holding nominal share capital upto ₹1 lac	4601083	90410	4691493	2.68	4970076	32410	5002486	2.86	0.18
ii)	Individual Shareholders holding nominal share capital in excess of ₹ 1 lac	2221509	0	2221509	1.27	1398188	0	1398188	0.80	(0.47)
c)	Others									

Sr. No.	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	
i)	Hindu Undivided Family	935106	0	935106	0.53	710272	0	710272	0.41	(0.12)
ii)	Non Resident Indians (Non Repat)	31460	0	31460	0.02	82203	0	82203	0.05	0.03
iii)	Non Resident Indians (Repat)	74755	0	74755	0.04	90680	0	90680	0.05	0.01
iv)	Clearing Members / Clearing House	379512	0	379512	0.22	190902	0	190902	0.11	(0.11)
	Sub-Total (B)(2):	29684237	91410	29775647	17.00	29921077	33410	29954487	17.10	0.10
	Total Public Shareholding (B)=(B)(1)+(B)(2)	45585105	91410	45676515	26.08	43858857	33410	43892267	25.06	(1.02)
C.	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
	Grand Total (A+B+C)	175043395	91410	175134805	100.00	175101395	33410	175134805	100.00	0

ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding 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	66040395	37.71	0	67824643	38.73	0	1.02
2.	Capri Global Advisory Services Private Limited	17517060	10.00	0	17517060	10.00	0	Nil
3.	Ramesh Chandra Sharma	43764930	24.99	0	43764930	24.99	0	Nil
4.	Ramesh Chandra Sharma - HUF	2135405	1.22	0	2135405	1.22	0	Nil
5.	Rajesh Sharma	500	0.00	0	500	0.00	0	Nil
	Total	129458290	73.92	0	131242538	74.94	0	1.02

iii) Change in Promoters' Shareholding

Sr. No.	For Each of the Promoter	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	
	Name of the Promoter	No. of Shares	% of total shares of the Company	Date	No. of Shares	Reason	No. of Shares	% of total shares of the Company
1.	Capri Global Holdings Private Limited	66040395	37.71	January 5, 2018	1784248	Market Purchase	67824643	38.73
2.	Capri Global Advisory Services Private Limited	17517060	10.00	NA	0	NA	17517060	10.00
3.	Ramesh Chandra Sharma	43764930	24.99	NA	0	NA	43764930	24.99
4.	Ramesh Chandra Sharma - HUF	2135405	1.22	NA	0	NA	2135405	1.22
5.	Rajesh Sharma	500	0	NA	0	NA	500	0

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

Sr. No.	For Each of the Top Ten 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	
		Name of Top Ten Shareholders	No. of Shares	% of total shares of the Company	Date	No. of Shares	Reason	No. of Shares
1.	Gainful Multitrade Pvt. Ltd.	7255030	4.1425	17 Nov 2017	29638	Market Purchase	7458227	4.2586
				24 Nov 2017	120173			
				15 Dec 2017	53386			
2.	Bay Pond MB	7794728	4.4507	23 Jun 2017	-38413	Market Sell	7209178	4.1164
				30 Jun 2017	-7019			
				07 Jul 2017	-1984			
				05 Jan 2018	-537040			
				12 Jan 2018	-1094			
3.	Roopam Multitrade Pvt. Ltd.	6121331	3.4952	07 Apr 2017	-134620	Market Sell	5338684	3.0483
				30 Jun 2017	-19400			
				07 Jul 2017	-48660			
				14 Jul 2017	-26681			
				21 Jul 2017	-49299			
				04 Aug 2017	-249224			
				11 Aug 2017	-134774			
				18 Aug 2017	-7002			
				25 Aug 2017	-105987			
09 Mar 2018	-7000							
4.	Badrikedar Commercials Pvt. Ltd.	3494645	1.9954	NA	NA	NA	3494645	1.9954
5.	Morgan Stanley Mauritius Company Ltd.	2754302	1.5727	28 Jul 2017	-779	Market Sell	2743995	1.5668
				08 Sep 2017	-195			
				31 Mar 2018	-9333			
6.	Samvrudhi Tradesol Pvt. Ltd.	2323501	1.3267	07 Apr 2017	-33300	Market Sell	2290847	1.308
				21 Jul 2017	646	Market Purchase		
7.	Bay Pond BMD MB	3611838	2.0623	07 Jul 2017	-2589	Market Sell	2116543	1.2085
				15 Dec 2017	-2264			
				22 Dec 2017	-31000			
				29 Dec 2017	-25729			
				05 Jan 2018	-1433657			
12 Jan 2018	-56							
8.	Ithan Creek MB	1740000	0.9935	31 Mar 2018	-3273	Market Sell	1736727	0.9917
9.	RBM Realty Pvt. Ltd.	1288500	0.7357	NA	NA	NA	1288500	0.7357
10.	Samvrudhi Multitrade Pvt. Ltd	0	0	11 Aug 2017	135871	Market Purchase	929599	0.5308
				22 Sep 2017	517434			
				29 Sep 2017	20420			
				27 Oct 2017	255000			
				03 Nov 2017	874			
11.	Indrakumar Motilal Mutha	634090	0.3621	07 Apr 2017	45000	Market Purchase	15426	0.0088
				26 May 2017	-60000	Market Sell		
				13 Oct 2017	-539664			
				24 Nov 2017	-50000			
				08 Dec 2017	-14000			

v) Shareholding of Directors and Key Managerial Personnel**A. Directors**

Sr. No.	Name of Director	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.	Rajesh Sharma	500	0.0003	NA	NA	NA	500	0.0003
2.	Bipin Kabra	0	0	12-03-2018	2000	Market Purchase	4000	0.0023
				14-03-2018	2000			

None of the other Directors holds any share in the Company.

B. Key Managerial Personnel

Sr. No.	Name of Director/KMP	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.	Bipin Kabra	0	0	12-03-2018	2000	Market Purchase	4000	0.0023
				14-03-2018	2000			

None of the other Key Managerial Personnel holds any share in the Company.

V. Indebtedness

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

(₹ in Lakh)

	Secured Loans excluding deposits (₹)	Unsecured Loans (₹)	Deposits (₹)	Total Indebtedness (₹)
Indebtedness at the beginning 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
Change in Indebtedness during the financial year				
Addition	85,100.00	45,500.00	--	1,30,600.00
Reduction	21,277.13	35,500.00	--	56,777.13
Net Change	63,822.87	10,000.00	--	73,822.87
Indebtedness at the end of the financial year				
i) Principal Amount	1,31,574.11	15,000.00	--	1,46,574.11
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	109.51	--	--	109.51
Total (i+ii+iii)	1,31,683.62	15,000.00	--	1,46,683.62

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*	Bipin Kabra – Director Finance #
1.	Gross Salary		
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	₹ 31,41,788	₹ 91,74,599
b)	Value of perquisites under Section 17(2) Income Tax Act, 1961	Nil	Nil
c)	Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	Nil	Nil
2.	Stock Options	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission	Nil	Nil
	- as % of profit		
	- others, specify		
5.	Others, please specify	Nil	Nil
	Total (A)	₹ 31,41,788	₹ 91,74,599
	Ceiling as per the Act (₹ in Lakh)	₹ 178.15	₹ 483.83

* Ceased to be a Director of the Company with effect from July 4, 2017; hence remuneration data till July 4, 2017.

Appointed as a Director of the Company with effect from July 17, 2017

B. Remuneration to other Directors

1. Independent Directors

Particulars of Remuneration	Mr. Beni Prasad Rauka	Ms. Bhagyam Ramani	Mr. Mukesh Kacker	Mr. T. R. Bajalia	Mr. D. R. Dogra*	Total
Fee for attending Board/ Committee Meetings (₹)	4,80,000	6,15,000	1,35,000	2,70,000	2,10,000	17,10,000
- Commission	NIL	NIL	NIL	NIL	NIL	NIL
- Others	NIL	NIL	NIL	NIL	NIL	NIL
Total (B)(1) (₹)	4,80,000	6,15,000	1,35,000	2,70,000	2,10,000	17,10,000

*Appointed as a Director with effect from May 10, 2017

2. Other Non Executive Directors

Particulars of Remuneration	Mr. Quintin E. Primo III Non-executive Chairman	Mr. Rajesh Sharma Promoter Director	Total Amount (₹)
Fee for attending Board/Committee Meetings	1,80,000	NIL	1,80,000
- Commission	NIL	NIL	NIL
- Others, please specify	NIL	NIL	NIL
Total (B)(2)	1,80,000	NIL	1,80,000
Total (B)= (B)(1)+ (B)(2)			18,90,000
Total Managerial Remuneration Total of A + B			1,42,06,387
Over all Ceiling as per the Act (₹ in Lakh)			₹ 1505.87

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	₹ 49,32,263
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)	₹ 49,32,263

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	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	1. Mr. Bipin Kabra (Director-Finance) 46.66x 2. Mr. Sunil Kapoor (Executive Director) 40.00x 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: 1. Mr. Bipin Kabra (Director-Finance) – NA 2. 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	25%
iv.	The number of permanent employees on the rolls of company	1106 employees as on 31.03.2018
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 11.34%, 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, 2018, as per the disclosure requirements prescribed in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), is set out below:

1. Company's Philosophy on Corporate Governance

At CGCL, 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 CGCL, 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 & Remuneration Policy;
- vi. Board Evaluation Policy;
- vii. Fair Practices Code;
- viii. Open Architectural Policy;
- ix. Code for regulating, monitoring and reporting of Trading by Insiders;

- x. Code of practices and procedures 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, Listing Regulations 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, 2018, the Board of Directors (the 'Board') consisted of eight members of which five 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 & 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 & 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.

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 Directors are/were liable to retire by rotation.

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

Familiarization 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, Listing Regulations, 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 Program 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:

<https://www.capriglobal.in/system/pdfs/files/000/000/009/original/Familiarisation-Programme-for-Independent-Directors.pdf?1518977768>

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, four meetings of the Board of Directors were held. Board meetings were held on May 13, 2017, July 17, 2017, November 06, 2017 and February 03, 2018. The Twenty Third Annual General Meeting ('AGM') was held on July 17, 2017. 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 directorships, Memberships/ Chairmanships of the Committees of public companies and their shareholding as on March 31, 2018 in the Company are as follows:-

Name of the Director	DIN	Category	No. of Board Meetings		Attendance at the last AGM	Directorships *	Committee position**		Shareholding (No. of shares)
			Held during their tenure	Attended			Chairman	Member	
Mr. Quintin E. Primo III	06600839	Non Executive, Non Independent	4	4	Yes	1	Nil	Nil	Nil
Mr. Sunil Kapoor#	01436404	Executive	1	1	NA	4	Nil	Nil	Nil
Mr. Rajesh Sharma	00020037	Promoter- Non Executive Non Independent	4	4	Yes	18	Nil	1	500
Mr. Beni Prasad Rauka	00295213	Independent	4	3	Yes	10	3	1	Nil
Ms. Bhagyam Ramani	00107097	Independent	4	4	Yes	10	Nil	5	Nil
Mr. Mukesh Kacker	01569098	Independent	4	3	Yes	3	Nil	1	Nil
Mr. T. R. Bajalia	02291892	Independent	4	4	Yes	7	1	3	Nil
Mr. D R Dogra\$	00226775	Independent	4	4	Yes	13	3	3	Nil
Mr. Bipin Kabra^	02879448	Executive	3	3	NA	1	Nil	1	4,000

* 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 of the Company with effect from July 4, 2017

\$ Appointed as a Director of the Company with effect from May 10, 2017

^ Appointed as a Director of the Company with effect from July 17, 2017

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 26, 2018, 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 Director - Finance for taking appropriate steps. All Independent Directors 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 17, 2017.

Terms of Reference

The terms of reference of Audit Committee are wide enough, covering the matters specified in Listing Regulations 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 utilized 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 Listing Regulations.

Meetings and attendance

During the year under review, four meetings of the Audit Committee were held on May 12, 2017, July 17, 2017, November 06, 2017 and February 01, 2018. 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	4	4
Ms. Bhagyam Ramani	4	4
Mr. Mukesh Kacker	4	3
Mr. T. R. Bajalia	4	4

B. Stakeholders' Relationship Committee

The Stakeholders' Relationship ('SR') Committee is lead 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
- iv. Mr. Bipin Kabra – 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 Listing Regulations.

Meetings and attendance

During the year under review, four meetings of the SR Committee were held on May 12, 2017, July 17, 2017, October 28, 2017 and February 01, 2018. 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	4
Mr. Bipin Kabra [^]	2	2

[^] Inducted as a Member of the Committee with effect from July 17, 2017

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 Listing Regulations.

During the year under review one complaint was received which was disposed immediately. There were no instruments for transfer pending as on March 31, 2018.

C. Nomination and Remuneration Committee

The Nomination & 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 & 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, Listing Regulations and SEBI (Share Based Employee Benefits) Regulations, 2014.

Meetings and attendance

During the year under review, four meetings of NR Committee were held on May 12, 2017, July 17, 2017, September 19, 2017 and October 07, 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	4
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 FY 2017-18, 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	1,80,000	N.A.	N.A.	1,80,000
2.	Mr. Sunil Kapoor@	NA	31,41,788	Nil	31,41,788
3.	Mr. Rajesh Sharma	Nil	Nil	Nil	Nil
4.	Mr. Bipin Kabra^	Nil	91,74,599	Nil	91,74,599
5.	Mr. Beni Prasad Rauka	4,80,000	N.A.	N.A.	4,80,000
6.	Ms. Bhagyam Ramani	6,15,000	N.A.	N.A.	6,15,000
7.	Mr. Mukesh Kacker	1,35,000	N.A.	N.A.	1,35,000
8.	Mr. T. R. Bajalia	2,70,000	N.A.	N.A.	2,70,000
9.	Mr. D. R. Dogra\$	2,10,000	N.A.	N.A.	2,10,000

@Ceased to be a director with effect from July 4, 2017;

^ Appointed as a Director of the Company with effect from July 17, 2017;

\$ Appointed as a Director of the Company with effect from May 10, 2017.

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

Service contract, Severance fees and Notice Period

Mr. Bipin Kabra was appointed as Director - Finance of the Company for a period of three years w.e.f. July 17, 2017. His remuneration for the FY 2017-18 comprises of all inclusive salary of ₹91,74,599/-. 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.

Mr. Sunil Kapoor resigned as Executive Director of the Company with effect from July 04, 2017. His remuneration in FY 2017-18 comprises of salary of ₹ 31,41,788/-.

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:

- Ms. Bhagyam Ramani- Chairperson
- Mr. Beni Prasad Rauka- Member
- Mr. Rajesh Sharma- Member
- Mr. Bipin Kabra – Member

Terms of Reference

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

- 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;
- to recommend the amount of expenditure to be incurred on the CSR activities ; and
- 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 May 12, 2017 and October 28, 2017, where all the members were present.

E. Operations and Resources 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 Director - Finance of the Company and comprise as follows:

- i. Mr. Bipin Kabra- 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. 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 dematerialized mode and to do all incidental and ancillary matters thereto;
- iii. to create security by way of charge over the assets of the Company in favour of the Lender(s)/Trustee for the Lender(s)/Bank(s)/other Financial Institutions to secure borrowings up to the limits approved by the shareholders of the Company pursuant to Section 180(1)(a) of the Companies Act, 2013;
- iv. 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;
- 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 & Miscellaneous Provisions Act, ESIC, Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI Act), 2002 and rules made thereunder, Insolvency and Bankruptcy Code, 2016 (IBC), Arbitration and Conciliation Act etc.;
- viii. to open, operate and/or close banking, demat, escrow and other accounts;
- ix. to approve change in the authorized signatories to the aforesaid accounts;
- x. to register, approve and execute lease deed, leave & 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 & Resources Committee met eight times on May 3, 2017, June 21, 2017, July 05, 2017, December 11, 2017, January 13, 2018, January 29, 2018, February 16, 2018 and March 27, 2018. The attendance at the meeting of Operations & Resources Committee is as follows:

Name of the Member	No. of Meetings held during their tenure	No. of Meetings Attended
Mr. Sunil Kapoor#	2	1
Mr. Bipin Kabra^	5	5
Mr. Rajesh Sharma	8	5
Ms. Bhagyam Ramani	8	6
Mr. Beni Prasad Rauka	8	7

Ceased to be a Director of the Company with effect from July 4, 2017

^ Inducted as a Member of the Committee with effect from July 17, 2017

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. Bipin Kabra -Chairman
- ii. Mr. Beni Prasad Rauka- Member
- iii. Mr. T. R. Bajalia -Member
- iv. Ms. Bhagyam Ramani –Member
- v. Mr. D. R. Dogra – Member

Terms of Reference: Terms of reference of the Risk Management Committee inter alia, includes the following:

- i. Review of operational risk, information technology risk and integrity risk;
- ii. Taking strategic actions to mitigate the risk associated with the nature of the business;
- iii. Appraising the Board of Directors at regular intervals regarding risk management policy and strategy;
- iv. To oversee the functioning of asset liability management committee.

Meetings and attendance

During the year under review the Risk Management Committee met four times on April 29, 2017, August 08, 2017, October 28, 2017 and February 01, 2018. The attendance at the meeting of Risk Management Committee is as follows:

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Mr. Sunil Kapoor#	1	1
Mr. Bipin Kabra^	3	3
Mr. Beni Prasad Rauka	4	3
Mr. T. R. Bajalia	4	4
Ms. Bhagyam Ramani	4	4
Mr. D. R. Dogra**	-	-

Ceased to be a Director of the Company with effect from July 4, 2017;

^ Inducted as a Member of the Committee with effect from July 17, 2017; and

** Inducted as a Member of the Committee with effect from February 03, 2018

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

- i. Mr. Bipin Kabra- Chairman
- ii. Mr. Ashok Agrawal- Senior Vice President (Compliance and Legal)
- iii. Mr. Suresh Gattani- Associate Director
- iv. Mr. Deepak Ayare –Associate Director
- v. 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 five meetings of the ALCO were held on April 13, 2017, July 14, 2017, September 05, 2017, October 13, 2017 and January 15, 2018. Attendance at ALCO meetings is as follows:

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Mr. Sunil Kapoor#	1	1
Mr. Bipin Kabra^	3	3
Mr. Ashok Agarwal	5	4
Mr. Balasaheb Ugale	2	1
Mr. Gaurang Shah@	5	5
Mr.Suresh Gattani	3	3
Mr.Deepak Ayare*	3	2
Mr. Kaushik Chatterjee	5	4

Ceased to be a Director of the Company with effect from July 4, 2017;

^ Inducted as a Member of the Committee with effect from July 17, 2017;

@ Resigned with effect from February 28, 2018; and

* Inducted as a Member of the Committee with effect from July 17, 2017

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 Lending and Investment Policies.

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. Kaushik Chatterjee–Group- Chief Risk Officer

Meetings and Attendance

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

Name of the Member	No. of Meetings Held during their tenure	No. of Meetings Attended
Ms. Bhagyam Ramani	7	7
Mr. Kaushik Chatterjee	7	5
Mr. Vishwas Shrungarpure**	4	4
Mr. S K Sangar	7	7

**ceased to be a Member of the Committee with effect from January 04, 2018

5. General Body Meetings

Annual General Meetings

The date, time and venue of the Annual General Meetings held during the preceding three years and the details of special resolutions passed thereat are as follows:

Year	Date	Time	Venue	Special Resolutions Passed
2016-17	July 17, 2017	04.00 P.M.	Nehru Centre, Hall of Harmony, Dr. Annie Besant Road, Worli, Mumbai-400 018	<ol style="list-style-type: none"> i. Issue of Non-convertible Debentures for an amount not exceeding ₹ 750 Crores; ii. Borrowing in excess of Paid- up Capital & Free reserves upto ₹ 3,000 crores; iii. Mortgage / Create charge on the assets of the Company; iv. Adoption of Articles of Association of the Company; v. Enable conversion of loan into equity.
2015-16	July 26, 2016	11.00 A.M.	Merchants Chamber, LNM IMC Building, Opposite Churchgate Station, Churchgate, Mumbai-400020	Four Special Resolutions were passed amending Memorandum of Association.
2014-15	July 18, 2015	12 Noon		No special resolution was passed

Postal Ballot

During the year under review, no resolution was passed through postal ballot.

Currently, no resolution is proposed to be passed through postal ballot. However, if required, the same shall be passed in compliance of provisions of Companies Act, 2013, Listing Regulations or any other applicable laws.

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 (AS18) has been made in the Standalone Financial Statements and attention of the members is drawn to Note No.27.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website:

https://www.capriglobal.in/system/pdfs/files/000/000/006/original/Policy_on_Related_Party_Transactions.pdf?1518977720

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 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:

https://www.capriglobal.in/system/pdfs/files/000/000/007/original/Policy_on_Material_Subsidiaries.pdf?1518977736

There are no material subsidiaries of the Company.

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 Listing Regulations, 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 Business Standard in English and Mumbai Lakshdeep in Marathi. The same are also displayed on the web site of the Company: www.capriglobal.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

August 2, 2018 at 4.00 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, 2018 to March 31, 2019

Results for the quarter ending –

June 30, 2018	- on or before September 14, 2018
September 30, 2018	- on or before December 14, 2018
December 31, 2018	- on or before February 14, 2019
March 31, 2019	- on or before May 30, 2019

iv. Book Closure Date

July 23, 2018 (Monday) to August 2, 2018 (Thursday)
(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 23, 2018, subject to approval of the Shareholders at the 24th Annual General Meeting, within the statutory time limit of 30 days.

vi. Listing

Equity Shares of the Company are listed on BSE & 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, Plot No. C1,
G-Block, Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051
Code: CGCL

Listing Fees up to the Financial Year 2018-19 have been paid in full to both the Stock Exchanges.

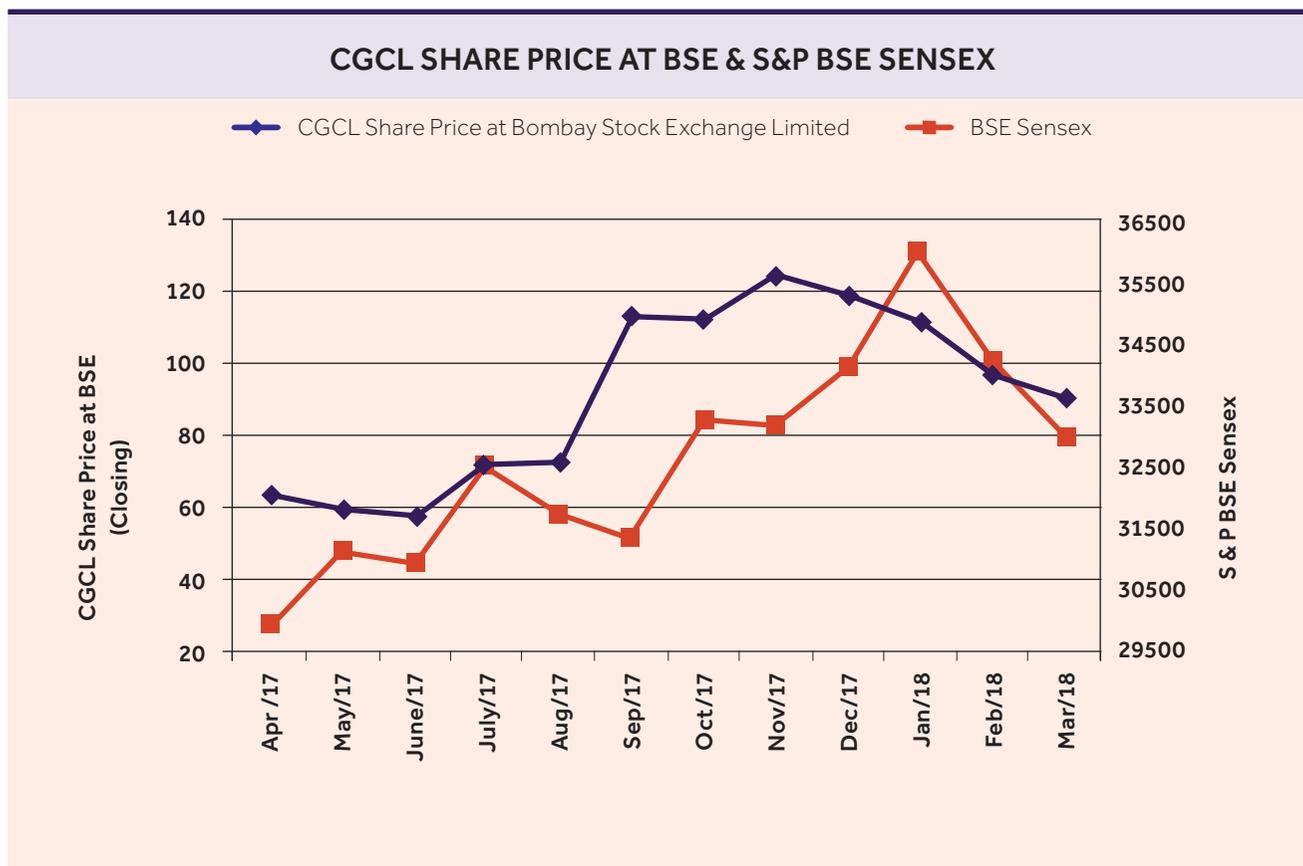
Market Price Data

a) Equity Shares:

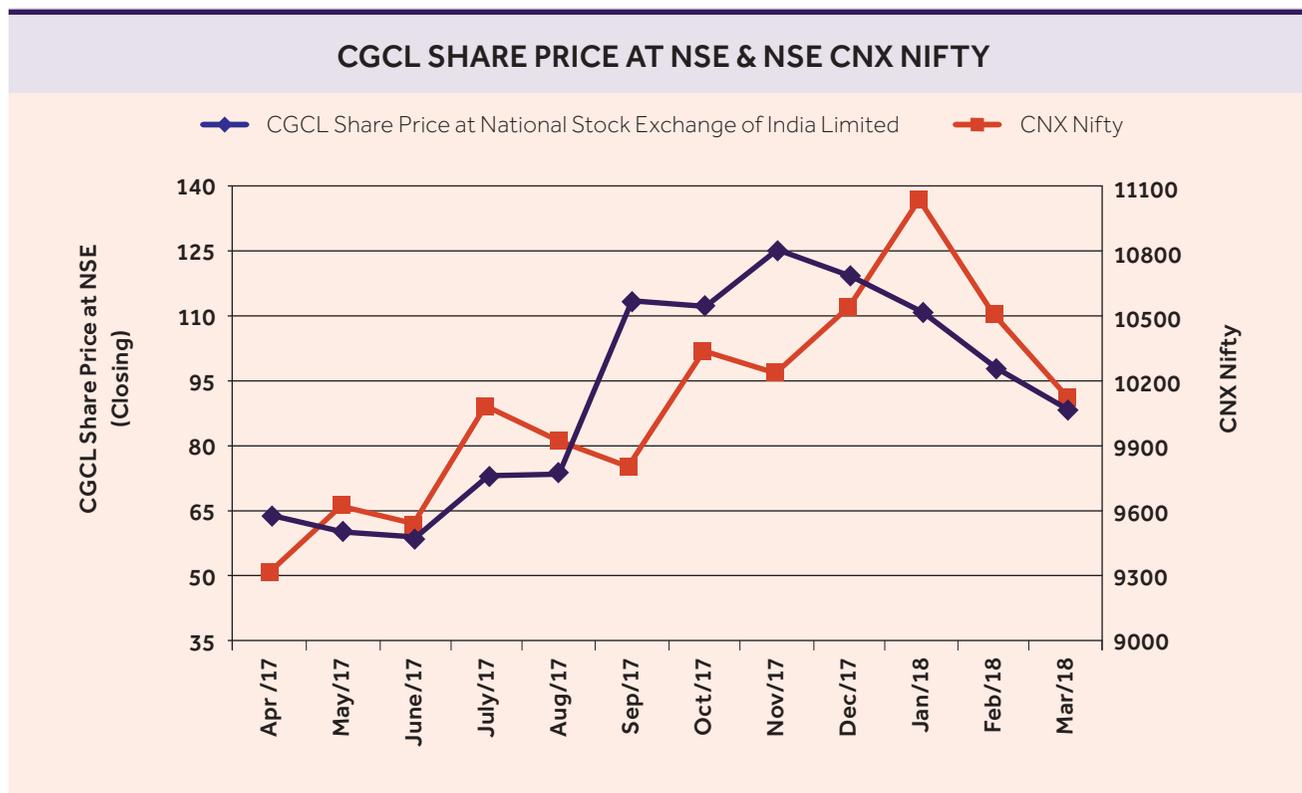
Monthly high/ low of the Closing Price and trading volumes on BSE/NSE of Equity Shares of the Company is given hereunder:

Month	Bombay Stock Exchange Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High Price (Rs.)	Low Price (Rs.)	Volume (No. of shares)	High Price (Rs.)	Low Price (Rs.)	Volume (No. of Shares)
Apr-17	69.40	53.80	444329	69.50	53.15	1666559
May-17	68.25	55.00	283090	67.75	54.50	875664
Jun-17	61.50	54.15	225753	61.85	53.60	903026
Jul-17	80.40	57.40	760864	80.05	55.40	2698415
Aug-17	75.55	57.00	565689	75.90	56.10	1782358
Sep-17	141.70	70.00	2819340	142.00	69.80	10362066
Oct-17	132.30	104.25	931990	132.00	103.10	3976521
Nov-17	142.00	112.00	896338	141.00	112.15	4456710
Dec-17	129.70	114.80	191550	129.40	113.65	1125391
Jan-18	132.00	107.20	806404	132.00	106.00	4226031
Feb-18	113.90	92.10	174062	113.90	91.00	946282
Mar-18	98.90	78.30	181763	99.30	75.00	924596

Performance of the Company’s Stock Price vis-à-vis S&P BSE Sensex:



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



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 & 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 Director – Finance 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, 2018

Category	No. of Shares	% of Holding
A) Promoters Holding		
a) Individuals	45,900,835	26.21
b) Bodies Corporate	8,53,41,703	48.73
Sub- Total (A)	13,12,42,538	74.94
B 1) Non- Promoters Holding		
a) Foreign Institutional Investors	1,38,06,443	7.88
b) Financial Institutions/Banks	95,722	0.05
Sub- Total (B)(1)	1,39,02,165	7.94
2) Central / State Government (IEPF)	35,615	0.02
Sub- Total (B)(2)	35,615	0.02
3) Non- Institutions		
• Bodies Corporate	2,24,79,756	12.84
• Individuals	64,00,674	3.65
• Non Resident Indians	1,72,883	0.10
• Clearing Member	1,90,902	0.11
• HUF	7,10,272	0.41
Sub- Total (B)(3)	2,99,54,487	17.10
Grand Total (A+B)	175,134,805	100.00

Distribution Schedule of Equity shareholders as on March 31, 2018

Range	No. of Shareholders	%	No. of Shares	%
1 – 500	6,000	78.8436	892654	0.5097
501 – 1000	659	8.6597	544895	0.3111
1001– 2000	352	4.6255	541225	0.3090
2001– 3000	165	2.1682	426875	0.2437
3001– 4000	70	0.9198	251189	0.1434
4001- 5000	94	1.2352	448713	0.2562
5001-10000	113	1.4849	867624	0.4954
And Above	157	2.0631	171161630	97.7314
Total	7,610	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 & 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, 2018, 99.98% of the Company's equity shares were held in dematerialised form.

xi. The Company has not issued any GDRs/ADRs.**xii. Branches**

Company has 14 branches located at Ambala, Ahmedabad, Bangalore, Delhi – Pusa Road, Indore, Jaipur, Karnal, Ludhiana, Ludhiana – Firoze Gandhi Market, Mumbai, Noida, Panipat and Surat.

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 & 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)-40888100.
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:

- Audit Qualifications:** The Company is in the regime of unmodified audit opinion.
- 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 Director - Finance.
- Reporting of Internal Auditor:** The Internal Auditor reports directly to the Audit Committee.

10. ED and CFO Certification

Director- Finance of the Company provides 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. He also certifies the accuracy of the quarterly financial results while placing results before the Board.

Declaration of Compliance with Code of Conduct

I, Bipin Kabra, Director-Finance 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, 2018.

For **Capri Global Capital Limited**

Place: Mumbai
Date: May 26, 2018

(Bipin Kabra)
Director-Finance

Certificate on Corporate Governance

To,

The Members of

Capri Global Capital Limited,

Mumbai

We have examined the compliance of conditions of Corporate Governance by M/s.Capri Global Capital Limited ('the Company') for the year ended 31st March, 2018 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 Exchanges.

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 Exchanges.

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.

For **PRS Associates**
Company Secretaries

Sanjay Shringarpure
Partner
Membership No. FCS2857
CP No. 6107

Place: Mumbai

Date: May 26, 2018

Annexure

Nomination and Remuneration Policy

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 Section 178 of 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 & 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) At 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 Disqualification 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, whether 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 or 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 Lakh 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 Lakh to ₹ 1 Cr. 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 & Remuneration Committee of the Board.

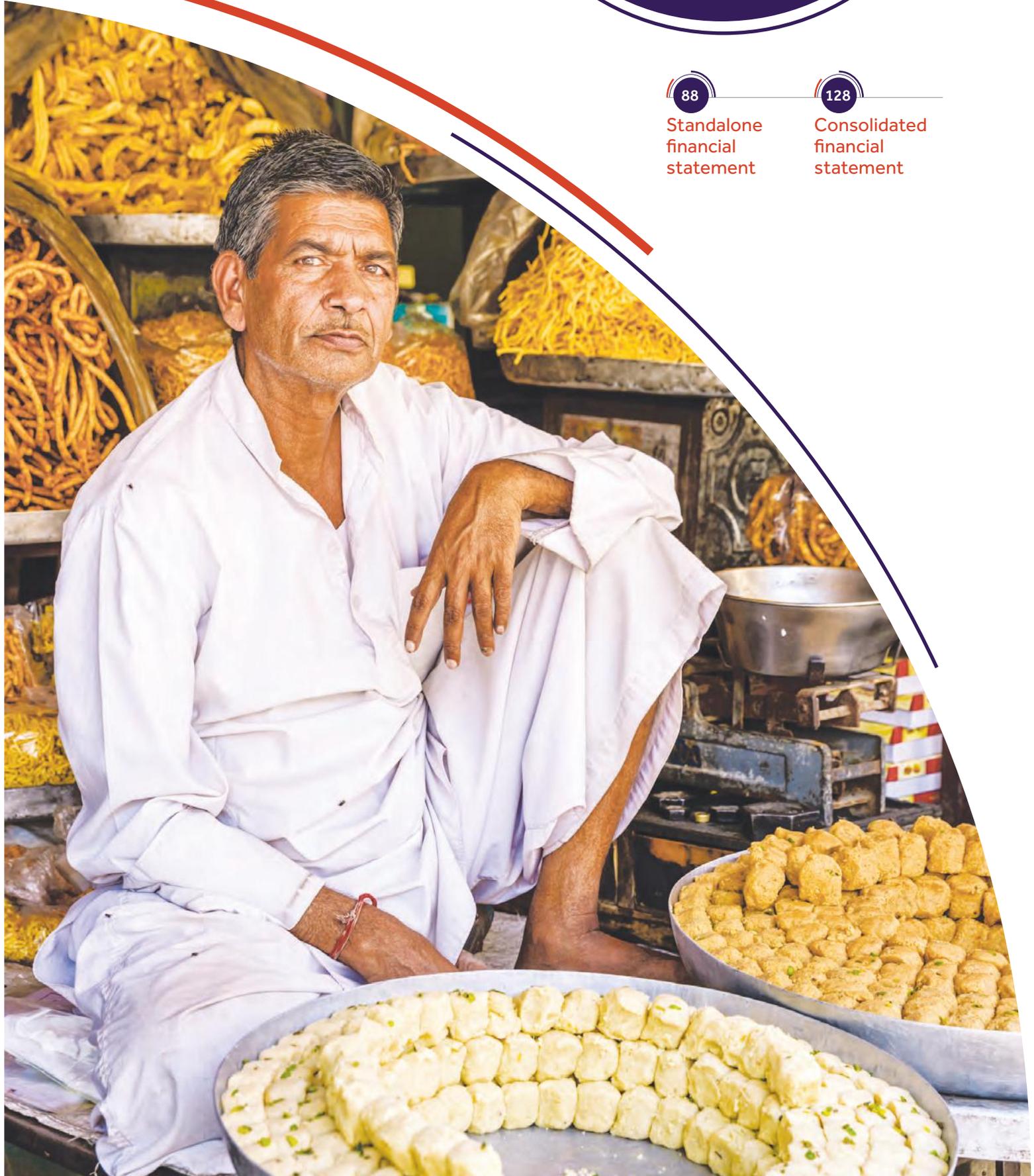
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Independent Auditors' Report

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"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit

report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 standalone financial statements.

We believe that the audit evidence obtained by us 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 aforesaid standalone 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 Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Company and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,
- as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations as at 31st March, 2018 which would impact its financial position except, as disclosed in note no. 31 of the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts as at 31st March, 2018, for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- Place: Mumbai
Date: May 26, 2018

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants
(Firm's Registration No.117366W/W-100018)

G. K. Subramaniam

Partner
(Membership No. 109839)

Annexure "A" to the Independent Auditors' Report

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

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

We have audited the internal financial controls over financial reporting of CAPRI GLOBAL CAPITAL LIMITED (the "Company") as of 31st March, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting

was established and maintained and if such controls operated effectively in all material respects.

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



Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over

financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants
(Firm's Registration No.117366W/W-100018)

G. K. Subramaniam

Partner
(Membership No. 109839)

Place: Mumbai

Date: May 26, 2018

Annexure “B” to the Independent Auditors’ Report

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

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that the title deeds, comprising of the immovable property of the Buildings is held in the name of the Company as at the balance sheet date except the following:-

Particulars	₹ in Lakh	Remarks
Flats from Orbit Corporation Limited	174	The Company is having signed allotment letter in its own name. The Company is in the process of registering the sale deed.
Flats from Unitech Limited	44	The Company is having allotment letter in its erstwhile name. The Company is in the process of registering the asset through sale deed in its own name.

In respect of immovable properties of buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

- (ii) To the best of our knowledge and according to the information and explanations given to us, the Company does not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable.
- (iii) To the best of our knowledge and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- (iv) To the best of our knowledge and according to the information and explanations given to us, the Company has not granted any loans, made investments or provide guarantees under the provisions of Sections 185 and 186 of the Act and hence reporting under clause 3(iv) of the Order is not applicable.
- (v) To the best of our knowledge and according to the information and explanations given to us, the Company has not accepted any deposit during the year and no order in this respect has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals in regards to the company.
- (vi) To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company.
- (vii) To the best of our knowledge and according to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Service Tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities. There were no amounts payable in respect of Sales Tax, Value Added Tax, Customs Duty, Work Contract Tax, and Excise Duty.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Service Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax as on 31st March, 2018 on account of disputes are given below :-

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹ in Lakh)
Income Tax Act, 1961	Regular Assessment u/s 143(3) of the Act	CIT(A)	AY 2015-16	33
Income Tax Act, 1961	Penalty Proceedings u/s 271(1)(c) of the Act	ITAT, Mumbai	AY 2010-11	7

There are no dues of Service Tax as on March 31, 2018 on account of disputes.

(viii) To the best of our knowledge and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and dues to debenture holders. The Company has not taken any loan from government and financial institutions.

Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(ix) To the best of our knowledge and according to the information and explanations given to us, the money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer/ further public offer (including debt instruments).

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

(x) To the best of our knowledge and according to the information and explanation given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xv) To the best of our knowledge and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

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

G. K. Subramaniam
Partner
(Membership No. 109839)

(xiii) To the best of our knowledge and according to the information and explanations given to us, the

Place: Mumbai
Date: May 26, 2018



Balance Sheet

As at 31st March, 2018

(₹ in Lakh)

	Notes	As at 31-03-2018	As at 31-03-2017
I. EQUITY AND LIABILITIES			
1 Shareholders' Fund			
Share Capital	2	3,502.70	3,502.70
Reserves and Surplus	3	119,657.70	110,878.29
		123,160.40	114,380.99
2 Non-Current Liabilities			
Long Term Borrowings	4	94,349.10	50,083.33
Other Non Current Liabilities	5	79.18	163.61
Long Term Provisions	6	2,317.94	1,662.15
		96,746.22	51,909.09
3 Current Liabilities			
Short Term Borrowings	7	14,868.55	7,813.50
Trade Payables	8		
a) Micro enterprises and small enterprises		-	-
b) Others		1,629.89	874.02
Other Current Liabilities	5	44,913.80	21,045.68
Short Term Provisions	6	1,075.00	438.22
		62,487.24	30,171.42
Total		282,393.86	196,461.50
II. ASSETS			
1 Non Current Assets			
Fixed Assets	9		
Tangible Assets		967.81	1,012.39
Intangible Assets		205.60	232.23
Capital work in progress		-	26.72
		1,173.41	1,271.34
Non Current Investments	10	7,818.08	4,078.09
Deferred Tax Assets (Net)	11	980.86	86.56
Long Term Loans and Advances - Financing Activity	12	203,816.98	155,530.70
Long Term Loans and Advances - Others	13	2,058.03	2,572.21
Other Non-Current Assets	14	1.67	-
		214,675.62	162,267.56
2 Current Assets			
Current Investments	10	5,051.50	4,000.00
Trade Receivables	15	53.05	72.51
Cash and Bank Balances	16	2,842.87	992.17
Short Term Loans and Advances-Financing Activity	12	55,211.91	24,725.60
Short Term Loans and Advances-Others		920.42	1,007.14
Other Current Assets	14	2,465.08	2,125.18
		66,544.82	32,922.60
Total		282,393.86	196,461.50
Significant Accounting Policies	1B		

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

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

G. K. Subramaniam
Partner

Place: Mumbai
Date: 26th May, 2018

For and on behalf of the Board of Directors

Bipinchandra Kabra
Director-Finance
DIN 02879448

Rajesh Sharma
Director
DIN 00020037

Beni Prasad Rauka
Independent Director
DIN 00295213

Bhavin Shah
Senior Vice President
Finance & Accounts

Harish Agrawal
Senior Vice President &
Company Secretary

Place: Mumbai
Date: 26th May, 2018

Statement of Profit and Loss

for the year ended 31st March, 2018

(₹ in Lakh)

	Notes	Year Ended	
		31-03-2018	31-03-2017
I. INCOME			
Revenue from Operations	17	33,644.75	22,211.92
Other Income	18	2,479.23	1,613.83
Total Revenue		36,123.98	23,825.75
II. EXPENSES			
Employee Benefit Expenses	19	7,052.77	5,279.53
Finance Costs	20	9,918.14	3,796.35
Depreciation and Amortization Expenses	21	570.24	419.38
Loan Provisions	22	1,528.14	1,384.97
Other Expenses	23	3,763.84	3,426.01
Total Expenses		22,833.13	14,306.24
III. PROFIT BEFORE TAX			
		13,290.85	9,519.51
Less: Tax Expenses			
Current Tax		4,812.00	3,782.00
Deferred Tax		(894.32)	(47.25)
Tax Adjustment of Earlier years		(26.81)	6.28
		3,890.87	3,741.03
IV. PROFIT FOR THE YEAR			
		9,399.98	5,778.48
V. EARNINGS PER EQUITY SHARE			
(Nominal Value of share ₹2/- each)	29		
Basic		5.37	3.30
Diluted		5.36	3.30
Significant Accounting Policies	1B		

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

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

G. K. Subramaniam
Partner

Place: Mumbai
Date: 26th May, 2018

For and on behalf of the Board of Directors

Bipinchandra Kabra
Director-Finance
DIN 02879448

Rajesh Sharma
Director
DIN 00020037

Beni Prasad Rauka
Independent Director
DIN 00295213

Bhavin Shah
Senior Vice President
Finance & Accounts

Harish Agrawal
Senior Vice President &
Company Secretary

Place: Mumbai
Date: 26th May, 2018



Cash Flow Statement

for the year ended March 31, 2018

(₹ in Lakh)

Particulars	Year Ended	
	31-03-2018	31-03-2017
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	13,290.85	9,519.52
adjusted for:		
Depreciation	570.24	419.38
Employees Stock Option Scheme Expenses	11.80	-
Loss on Sale of Fixed Assets	7.14	0.89
Short Term Capital Gain on Mutual Fund	(169.52)	(1,030.39)
Long Term Capital Gain on sale of shares	(763.54)	-
Dividend Income on Shares	(49.93)	(54.08)
Interest Income	(30,136.59)	(20,378.67)
Interest Expense	9,226.02	3,622.02
Provision for Standard Assets	387.52	353.44
Floating Provision Against Standard Asset	783.53	937.85
Provision for Non Performing Assets	357.09	77.65
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(6,485.39)	(6,532.39)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	19.46	186.37
Short-term loans and advances	(30,399.59)	(9,234.56)
Long-term loans and advances	(50,100.68)	(65,881.61)
Other current assets	(117.25)	1,263.80
Other non-current assets	(1.67)	(412.22)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	755.86	91.29
Other current liabilities	23,868.12	12,070.06
Other long-term liabilities	(84.43)	(74.84)
Short-term provisions	407.94	192.71
Long-term provisions	655.79	23.32
CASH GENERATED FROM OPERATING ACTIVITIES	(61,481.84)	(68,308.07)
Interest Received	29,913.96	24,025.40
Interest Paid	(9,226.02)	(3,622.02)
NET CASH GENERATED FROM OPERATING ACTIVITIES	(40,793.89)	(47,904.71)
Less: Direct Taxes Paid	(3,755.92)	(3,106.83)
NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES (A)	(44,549.81)	(51,011.54)

(₹ in Lakh)

Particulars	Year Ended	
	31-03-2018	31-03-2017
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(548.42)	(919.81)
Decrease in Capital WIP	26.72	-
Sale of Fixed Asset	42.25	1.00
Sale of Mutual Fund	4,169.52	9,280.39
Sale of Equity Shares	1,540.20	-
Investment in subsidiaries	(5,262.08)	(51.00)
Investment in Bonds	(4,306.07)	(4,000.00)
Dividend Income	49.93	54.08
Net Cash Flow used in Investing Activities (B)	(4,287.95)	4,364.66
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Borrowings	51,320.82	46,627.69
Dividend Paid	(525.40)	(525.40)
Dividend Distribution Tax Paid	(106.96)	(106.96)
Net Cash Flow generated from Financing Activities (C)	50,688.46	45,995.33
Net Increase in Cash & Cash Equivalents (A+B+C)	1,850.70	(651.55)
Cash & Cash Equivalents at the beginning of the year	992.17	1,643.72
Cash & Cash Equivalents at the end of the year	2,842.87	992.17
Net Increase in Cash & Cash Equivalents	1,850.70	(651.55)

(₹ in Lakh)

Particulars	Year Ended	
	31-03-2018	31-03-2017
Notes:		
1. Cash and Cash equivalents		
Cash in hand	16.29	2.51
Balance with banks:		
In Current Accounts	2,825.11	988.37
In Unpaid Dividend Account	1.47	1.29
Total	2,842.87	992.17

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

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

G. K. Subramaniam
Partner

Place: Mumbai
Date: 26th May, 2018

For and on behalf of the Board of Directors

Bipinchandra Kabra
Director-Finance
DIN 02879448

Rajesh Sharma
Director
DIN 00020037

Beni Prasad Rauka
Independent Director
DIN 00295213

Bhavin Shah
Senior Vice President
Finance & Accounts

Harish Agrawal
Senior Vice President &
Company Secretary

Place: Mumbai
Date: 26th May, 2018



Notes to Financial Statements

for the year ended 31st March, 2018

1A Corporate Information

Capri Global Capital Limited (the "Company") is engaged in the business of originating, funding and servicing loans to Micro, Small and Medium Enterprises (MSMEs) and Construction Finance in India and in providing ancillary services related to the said business activities. The Company is Systematically Important Non-deposit taking Non-Banking Financial Company ("NBFC"), holding a Certificate of Registration from the Reserve Bank of India ("RBI") dated 05th November, 2007.

1B Significant Accounting Policies

1.1 Basis of Accounting and Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, rules thereunder and the relevant provisions of the Companies Act, 2013 (the "Act"), as applicable, so far as these are not inconsistent with Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India (RBI). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Current assets do not include elements which are not expected to be realised within one year and current liabilities do not include items which are due after one year.

1.2 Use of Estimates:

Presentation and Disclosure of Financial Statement

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

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) Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate except that no income is recognized on non-performing assets as per the prudential norms for income recognition issued by the RBI. 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.

b) Loan processing fees

Loan processing fees on loans is collected towards processing of loan and documentation charges. This is recognised as income when the amount become due and there is no uncertainty in realisation.

c) Income from 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.

d) Interest on deposits

Interest on deposits is recognised on accrual basis.

e) Dividend income

Dividend income is accounted as and when right to receive dividend is established.

1.4 Property, plant and equipment

Property, Plant and Equipment are stated at cost of acquisition less accumulated depreciation / amortisation and impairment loss, if any. Cost comprises of purchase / acquisition price, non-refundable taxes, duties, freight and directly attributed cost of bringing the assets to its working condition for its intended use.

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 its working condition for its intended use.

Capital work-in-progress includes assets not ready for the intended use and are carried at cost, comprising direct cost and related incidental expenses.

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 statements".

1.6 Depreciation and Amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

a) Tangible Assets

Depreciation on tangible assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Act.

b) Intangible Assets

Intangible assets are amortised 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.

c) All capital assets with individual value less than ₹ 5000 are depreciated fully in the year in which they are purchased.

1.7 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.

1.8 Foreign Currency Translation

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transactions. Foreign currency monetary items as at the Balance Sheet date are restated at the year end rates. Exchange differences arising on realisation and year end restatements are recognised as income or expense in the Statement of Profit and Loss.

1.9 Investments

Long-term investments are carried at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

1.10 Borrowing Costs

The Company borrows funds, primarily in Indian Rupees, and carry a fixed rate or floating rate of interest. Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the borrowing of funds to the extent not directly related to the acquisition of

qualifying assets are charged to the Statement of Profit and Loss.

1.11 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:

Provident Fund

The Company's contribution paid/ payable during the year towards Provident Fund are charged to Statement of Profit and Loss every year.

Gratuity and leave encashment

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 of India (LIC) and to HDFC Standard Life Insurance Company (HDFC Life). The Company has created planned assets by contribution to the gratuity fund with LIC and HDFC Life.

The Company's liability towards gratuity and compensated absences is determined on the basis of actuarial valuation done by an independent actuary. The actuarial gains and losses determined by the actuary are recognised immediately in the Statement of Profit and Loss as an income or expense.

1.12 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 the Institute of Chartered Accountants of India (ICAI). The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

1.13 Leases

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.

1.14 Cash and cash equivalents

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

1.15 Cash Flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax

is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.16 Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Dilutive potential equity shares are determined independently for each period presented.

1.17 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set-off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

1.18 Provisions for Non-Performing Assets ("NPAs")

Loans are initially recorded at the disbursed principal amounts and are subsequently adjusted for recoveries and any unearned income.

A loan is recognized as non-performing ("NPA") at the earlier of the date it has been individually provided for when the Company is no longer reasonably assured of the timely collection of the full amount of principal and interest and a loan where the repayment installment or interest has been in arrears for 90 days.

The provision on Standard and Non-Performing Loans is made as per the prudential norms prescribed in the guidelines issue by RBI as amended. Additional provisions (over and above the prudential norms) if required is made as per the Guidelines approved by the Board of Directors from time to time.

Provisions are established on a collective basis against loan assets classified as "Standard" to absorb credit losses on the aggregate exposures in each of the Company's loan portfolios based on the RBI directions.

1.19 Provisions and contingencies

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

1.20 Service Tax / Good and Service Tax input credit

Service tax / Goods and Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits. The company has opted to claim 50% of eligible input tax credit on inputs, capital goods and input services and the balance 50% is charged to the Statement of Profit and loss as per applicable provisions.

1.21 Operating Cycle

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

2. Share Capital

(₹ In Lakh)

	31-03-2018	31-03-2017
Authorized Shares		
36,00,00,000 (31 Mar 2017: 36,00,00,000) Equity Shares of ₹ 2/-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 2017: 17,51,34,805) Equity Shares of ₹ 2/- 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 year

	31-03-2018		31-03-2017	
	Nos.	₹ In Lakh	Nos.	₹ In Lakh
Equity Shares:				
At the beginning of the year	175,134,805	3,502.70	35,026,961	3,502.70
Addition due to split of shares in ratio 1:5	-	-	140,107,844	-
Outstanding at the end of the year	175,134,805	3,502.70	175,134,805	3,502.70

2.2 Terms/Rights attached to equity shares:

The company has only one class of equity share having a par value of ₹ 2/- per share. Each holder of equity share 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.

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 ₹ 2/- each fully paid up:

Name of Shareholder	31-03-2018		31-03-2017	
	Nos.	%	Nos.	%
Capri Global Holdings Pvt. Ltd.	67,824,643	38.73	66,040,395	37.71
Mr. Rameshchandra Sharma	43,764,930	24.99	43,764,930	24.99
Capri Global Advisory Services Pvt. Ltd.	17,517,060	10.00	17,517,060	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 Lakh)

	31-03-2018	31-03-2017
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	6,420.53	5,970.53
Add: Amount transferred from surplus balance in the statement of profit and loss	-	450.00
Closing Balance	6,420.53	6,420.53

(₹ In Lakh)

	31-03-2018	31-03-2017
3.3 Employee stock options outstanding		
Employee Stock Options Outstanding	108.54	-
Less: Deferred employee stock compensation	96.74	-
Closing Balance	11.80	-
3.4 Surplus in the Statement of Profit and Loss		
Balance as per the last Financial Statements	45,727.69	41,559.21
Profit for the Year :	9,399.98	5,778.48
Less: Appropriations		
Dividend Paid	525.40	-
Tax on Dividend Paid	106.96	-
Transfer to Reserve Fund under Section 45 I C(1) of Reserve Bank of India Act,1934	1,880.00	1,160.00
Transfer to General Reserve	-	450.00
Net surplus in the Statement of Profit and Loss	52,615.32	45,727.69
3.5 Reserve Fund as per Section 45 I C(1) of Reserve Bank of India Act, 1934		
Balance as per the last Financial Statements	14,020.00	12,860.00
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	1,880.00	1,160.00
Closing Balance	15,900.00	14,020.00
Total Reserves and Surplus	1,19,657.70	1,10,878.29

4. Long Term Borrowings

(₹ In Lakh)

	31-03-2018	31-03-2017
Secured		
Term Loans from Banks	85,849.10	42,583.33
Non Convertible Debentures	8,500.00	7,500.00
Closing Balance	94,349.10	50,083.33

Note :

The above term loans are secured against the Pari Passu Charge on the Standard Identified Receivables of MSME, Retails Credit assets and Construction Finance Assets of the Company.

a)	Name of Bank	Facility Amount	Repayment schedule
	Bank of Maharashtra	5,000	Repayable in 12 quarterly instalments starting from Sep 2015
	Bank of Maharashtra	20,000	Repayable in 12 quarterly instalments starting from Mar 2017
	Andhra Bank	3,000	Repayable in 12 quarterly instalments starting from Nov 2016
	Andhra Bank	3,000	Repayable in 12 quarterly instalments starting from May 2017
	Andhra Bank	5,000	Repayable in 12 quarterly instalments starting from Mar 2018
	Bank of India	2,500	Repayable in 12 quarterly instalments starting from Dec 2016
	Bank of India	5,000	Repayable in 12 quarterly instalments starting from Jan 2018
	Vijaya Bank	5,000	Repayable in 12 quarterly instalments starting from May 2017
	Vijaya Bank	7,500	Repayable in 12 quarterly instalments starting from Dec 2017
	Vijaya Bank	5,000	Repayable in 12 quarterly instalments starting from June 2018

a) Name of Bank	Facility Amount	Repayment schedule
Union Bank	10,000	Repayable in 12 quarterly instalments starting from May 2018
Union Bank	5,000	Repayable in 24 quarterly instalments starting from Feb 2019
Union Bank	20,000	Repayable in 24 quarterly instalments starting from Jun 2019
UCO Bank	4,500	Repayable in 12 quarterly instalments starting from Oct 2018
Bank Of Baroda	20,000	Repayable in 12 quarterly instalments starting from Sept 2018
Dena Bank	2,500	Repayable in 12 quarterly instalments starting from Dec 2018
United Bank	5,000	Repayable in 12 quarterly instalments starting from Dec 2018
ICICI Bank	2,500	Repayable in 16 quarterly instalments starting from Dec 2017
YES Bank	15,000	Repayable in 16 quarterly instalments starting from Mar 2018
Punjab National Bank	10,000	Repayable in 16 quarterly instalments starting from Mar 2019
Indian Bank	10,000	Repayable in 24 quarterly instalments starting from Mar 2019
Punjab Sind Bank	5,000	Repayable in 24 quarterly instalments starting from May 2019
Sinhan Bank	2,500	Repayable in 8 quarterly instalments starting from May 2018
Kotak Bank	2,500	Repayable in 24 quarterly instalments starting from Mar 2018
State Bank Of India	10,000	Repayable in 12 quarterly instalments starting from Jan 2019
Karnataka Bank	2,000	Repayable in 12 quarterly instalments starting from June 2018

Note:- The rate of Interest on above Term Loans is in the range of 3M /1Y MCLR + 0.30% - 1.50%

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

Particulars	Amount (₹ In Lakh)	Date of Allotment	Interest rate % p.a	Date of Redemption	Redeemable term
Series I Tranche I * (FV ₹ 10 Lakh)	1000	20.01.2017	10.50%	20.01.2020	Redeemable at par after expiry of 3 years.
Series I Tranche II (FV ₹ 10 Lakh)	5000	17.02.2017	9.50%	17.02.2020	Redeemable at par after expiry of 3 years.
Series I Tranche III (FV ₹ 10 Lakh)	1500	07.03.2017	10.25%	07.03.2019	Redeemable at par after expiry of 2 years.
Series II Tranche I ** (FV ₹ 10 Lakh)	2500	27.03.2018	9.75%	27.09.2019	Redeemable at par after expiry of 18 Months

Note : The above NCDs are secured against the Pari Passu Charge on book debts and immovable property (Located in Chennai).

*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.

**These Debentures have tenure of 1.5 years subject to put option with the lender/investor to be exercised at the end of 3 months from the date of allotment.

5. Other Liabilities:

(₹ In Lakh)

	Non-Current		Current	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Current Maturities of Long-term Borrowings				
Term Loan	-	-	35,725.00	14,833.34
Non Convertible Debentures	-	-	1,500.00	-
Other Payables				
Temporary overdrawn balance as per books			6,604.03	5,832.13
Statutory Dues Payable			251.42	112.65
Margin Money	79.18	163.61	-	101.36
Unpaid Dividend	-	-	1.47	1.29
Interest accrued but not due on borrowings			109.15	86.91
Others	-	-	722.73	78.00
Total	79.18	163.61	44,913.80	21,045.68

6. Provisions

(₹ In Lakh)

	Long Term		Short Term	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
6.1 Provisions for employee benefits:				
Provision for Gratuity (net)	45.34	18.87	-	-
Provision for Compensation Absences	120.94	23.32	29.59	5.84
Provision for Tax (Net of Advance Tax ₹ 4,343 Lakh (As at March 31,2017 ₹ 3,542 Lakh)	-	-	469.20	240.36
6.2 Others:				
Provision on Standard Assets	1,014.01	771.98	270.70	118.19
Floating Provision on Standard Assets	1,137.65	847.98	305.51	73.83
Total	2,317.94	1,662.15	1,075.00	438.22

7. Short Term Borrowings

(₹ In Lakh)

	31-03-2018	31-03-2017
Secured		
Loans repayable on demand from Banks		
Cash Credit	-	2,834.57
Bank Overdraft	90.48	34.56
Unsecured		
Commercial papers	14,778.07	4,944.37
(Net of unamortised discount of ₹221.93 Lakh (as at March 31,2017 ₹ 55.63 Lakh)		
Total	14,868.55	7,813.50

Note : The Company has the Cash Credit limit of ₹ 10,000 Lakh (31st Mar 2017 ₹ 5,000 Lakh) against the Pari passu Charge on the Standard Identified Receivables of MSME, Retail Credit assets and Construction Finance Assets of the Company.

8. Trade Payable

(₹ In Lakh)

	31-03-2018	31-03-2017
8.1 Amount due and payable to Micro and Small Enterprises	-	-
8.2 Amount due and payable to others		
Accrued Employee Benefit Expenses	600.00	300.00
Accrued Expenses	432.06	347.44
Other Trade Payables	597.83	226.58
Total	1,629.89	874.02

9. Fixed Assets

Life	Gross Block				Depreciation / Amortization			Net Block	
	Cost as at 01.04.2017	Additions	Disposals/ adjustments	Cost as at 31.03.2018	As at 01.04.2017	For the Year	Adjustment on Disposals	As at 31.03.2018	As at 31.03.2017
a) Tangible Assets									
Buildings (Leasehold Premises)	128.98	98.64	-	227.62	5.58	48.87	-	54.45	173.17
									123.40
Building (Flats)	-	(128.98)	-	(128.98)	-	(5.58)	-	(5.58)	(123.40)
	27.00	-	-	27.00	0.03	1.26	-	1.29	25.71
									26.98
	-	(27.00)	-	(27.00)	-	(0.03)	-	(0.03)	(26.98)
Computers	407.30	130.84	13.75	524.40	294.29	93.85	12.81	375.32	149.08
	(295.49)	(124.64)	(12.83)	(407.30)	(212.52)	(93.77)	(12.00)	(294.29)	(113.02)
									(82.97)
Furniture and Fixtures	489.71	61.91	-	551.62	169.41	90.51	-	259.92	291.70
	(210.83)	(278.88)	-	(489.71)	(135.08)	(34.33)	-	(169.41)	(320.31)
									(75.75)
Office Equipments	241.36	24.20	0.66	264.91	110.79	72.02	0.63	182.18	82.73
	(129.89)	(128.12)	(16.65)	(241.36)	(94.69)	(31.80)	(15.70)	(110.79)	(130.58)
									(35.20)
Electric Installation	118.12	6.91	-	125.03	28.60	23.62	-	52.22	72.81
	(29.08)	(89.04)	-	(118.12)	(22.52)	(6.08)	-	(28.60)	(89.52)
									(6.57)
Vehicles	465.61	86.30	79.07	472.84	257.01	73.86	30.65	300.22	172.62
	(382.21)	(83.93)	(0.53)	(465.61)	(179.81)	(77.62)	(0.42)	(257.01)	(208.60)
									(202.40)
Current Year	1,878.10	408.80	93.47	2,193.42	865.70	403.99	44.09	1,225.60	967.81
Previous Year	(1,047.50)	(860.60)	(30.01)	(1,878.09)	(644.62)	(249.21)	(28.12)	(865.72)	(1,012.39)
b) Intangible Assets									
Software	221.21	139.62	-	360.83	177.34	30.44	-	207.78	153.06
	(188.72)	(32.50)	-	(221.21)	(148.33)	(29.00)	-	(177.34)	(43.88)
									(40.38)
Royalty	705.40	-	-	705.40	517.05	135.81	-	652.86	52.54
	(705.40)	-	-	(705.40)	(375.88)	(141.17)	-	(517.05)	(188.35)
									(329.52)
Current Year	926.61	139.62	-	1,066.23	694.39	166.25	-	860.64	205.60
Previous Year	(894.12)	(32.50)	-	(926.62)	(524.22)	(170.17)	-	(694.39)	(369.90)
TOTAL Current Year	2,804.71	548.42	93.47	3,259.66	1,560.09	570.24	44.09	2,086.24	1,173.41
Previous Year	(1,941.62)	(893.10)	(30.01)	(2,804.71)	(1,168.84)	(419.38)	(28.12)	(1,560.11)	(780.16)

Notes :

- a) Software is 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.

10. Investments

(₹ In Lakh)

	Non-Current		Current	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
10.1 Trade Investments, Unquoted (valued at cost unless stated otherwise)				
Investment in equity shares of Subsidiaries:				
3,69,04,760 (31 st March 2017 :2,50,00,000) Equity Share of ₹ 10/- each fully paid up of Capri Global Housing Finance Limited	7,500.00	2,500.00	-	-
5,50,000 (31 st March 2017 : 550,000) Equity Share of ₹ 10/- each fully paid up of Capri Global Resources Private Limited	55.00	55.00	-	-
25,00,000 (31 st March 2017 : 10000) Equity Share of ₹ 10/- each fully paid up of Capri Global Asset Reconstruction Private Limited	250.00	1.00	-	-
1 (31 st March 2017 : Nil) Equity Share of 1 Mauritian Rupee each fully paid up of Capri Global Capital (Mauritius) Limited*	0.00	-	-	-
Share Application Money In Capri Global Capital (Mauritius) Limited	13.08	-	-	-
Total	7,818.08	2,556.00	-	-
* Amount of ₹ 2 invested in Capri Global Capital(Mauritius) Limited				
10.2 Non-Trade Investments, Quoted (valued at cost unless stated otherwise)				
Investment in Equity Shares:				
1,01,238 (31 st March 2017 : 2,08,000) CARE Equity Shares of ₹10 each fully paid -up	-	1,522.09	745.43	-
Investment in Bonds:				
200 (31 st March 2017 : NIL) 7.37 % NTPC Limited Bonds (Series 66) of ₹10,00,000 each fully paid -up	-	-	1,980.00	-
239 (31 st March 2017 : NIL) 8.25 % The Great Eastern Shipping Company Ltd of ₹10,00,000 each fully paid -up	-	-	2,401.95	-
	-	-	4,381.95	-
Less: - Diminution in the value of Bonds	-	-	(75.88)	-
	-	-	4,306.07	-
Total	-	1,522.09	5,051.50	-
10.3 Non-trade Investments , Unquoted (valued at cost unless stated otherwise)				
Investment in Mutual Funds				
NIL (31 March 2017 : 574194.549) units of BSL-Cash Plus -Direct Growth	-	-	-	1,500.00
NIL (31 March 2017 : 37472.399) units of Kotak Mahindra MF	-	-	-	1,000.00
NIL (31 March 2017 : 4374874.222) units of Sundaram MF	-	-	-	1,500.00
	-	-	-	4,000.00
Total	7,818.08	4,078.09	5,051.50	4,000.00

(₹ In Lakh)

	Non-Current		Current	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Aggregate amount of Unquoted Investments				
In Equity Shares	7,818.08	2,556.00	-	-
In Mutual Funds	-	-	-	4,000.00
In Bonds	-	-	4,306.07	-
Aggregate amount of Quoted Investments				
In Equity Shares	-	1,522.09	745.43	-
Market value of Quoted investments	-	3,520.82	1,223.66	-

11. Deferred Tax Assets/(Liabilities) Net

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

(₹ In Lakh)

	31-03-2018	31-03-2017
Deferred Tax Assets		
Timing difference on account of:		
Excess of WDV of the assets as per Income Tax Act, 1961 over the Financial Books.	142.68	76.47
Provision for Leave Encashment	43.83	10.09
Provision for Standard Assets	374.11	-
Floating Provision for Standard Assets	420.24	-
Total	980.86	86.56

12. Loans and Advances - Financing Activity

(₹ In Lakh)

	Non-Current		Current	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
<i>Secured, considered good</i>				
Loans and advances relating to financing activity	201,243.32	154,476.77	54,042.56	24,289.08
<i>Secured, considered doubtful</i>				
Loans and advances relating to financing activity	2,688.91	1,240.34	1,697.41	543.35
	203,932.23	155,717.11	55,739.97	24,832.43
Less: Provision for Restructured Assets	-	-	-	(28.97)
Less: Provision for Non Performing Assets	(115.26)	(186.41)	(528.06)	(77.86)
Total	203,816.98	155,530.70	55,211.91	24,725.60

13. Loans and Advances - Others

(₹ In Lakh)

	Non-Current		Current	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
<i>Unsecured, considered good</i>				
Capital advances	1,336.00	1,108.97	705.87	851.02
Security Deposits	276.06	248.86	17.16	34.35
Income Tax Deposits (Net of provision for taxation ₹ 8,897 Lakh (As at March 31,2017 ₹ 10,701 Lakh))	311.00	1,111.44	-	-
Other Advances	-	-	23.66	4.20
Prepaid Expenses	17.55	21.92	131.50	36.57
Loans to Employees	73.42	81.02	42.23	54.50
Loan to Subsidiary Company (Unsecured)	44.00	-	-	26.50
Total	2,058.03	2,572.21	920.42	1,007.14

14. Other Assets

(₹ In Lakh)

	Non-Current		Current	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Interest accrued but not due on Loans	-	-	1,306.24	1,083.60
Current/Non Current Maturities of Fixed Deposits with original maturity for more than 12 months	1.66	-	500.00	515.63
Interest accrued but not due on FD and Bonds	0.01	-	222.11	15.89
Asset held for Sale *	-	-	429.81	429.81
Inventory of Gift Items	-	-	-	60.91
Service Tax Receivables	-	-	-	19.34
GST Receivables	-	-	6.92	-
Total	1.67	-	2,465.08	2,125.18

Note :

Fixed Deposits of ₹ 500.00 Lakh (31 Mar 2017 : ₹ 500 Lakh) have been pledged as security for overdraft facility from bank.

* The Company has repossessed Property of ₹ 429.81 Lakh in Settlement of loan outstanding.

15. Trade receivables:

(₹ In Lakh)

	31-03-2018	31-03-2017
Outstanding for a period exceeding six months from the due date of payment	-	-
Outstanding for a period less than six months	53.05	72.51
Total	53.05	72.51

16. Cash and Bank Balances

(₹ In Lakh)

	31-03-2018	31-03-2017
16.1 Cash and Cash equivalents		
Cash in hand	16.29	2.51
Balance with banks:		
In Current Accounts	2,825.11	988.37
In Unpaid Dividend Account	1.47	1.29
Total	2,842.87	992.17

17. Revenue from Operations

(₹ In Lakh)

	31-03-2018	31-03-2017
17.1 Revenue From Financial Services		
Interest Income on loans	30,013.38	20,200.67
Income from financing activities (Refer note below)	2,715.04	1,682.91
Total	32,728.42	21,883.58
Note: Income from financing activities includes loan processing fees and other financial charges		
17.2 Other Operating Income		
Provisions Written back	-	29.25
Foreclosure Fees Received	916.33	299.09
	916.33	328.34
Total	33,644.75	22,211.92

18. Other Income

(₹ In Lakh)

	31-03-2018	31-03-2017
Interest on Bank Deposits	37.37	93.15
Advertisement Income	764.16	188.43
Dividend on Non Current Investments	49.93	58.24
Profit on sale of Investment	985.41	777.42
Interest on Refund of Income Tax	85.84	84.85
Profit on sale of Inventories	28.88	-
Profit on Sale of Bonds	4.33	-
Bad Debts Recovered	199.50	402.50
Interest on Bonds	162.28	-
Other Income	161.53	9.24
Total	2,479.23	1,613.83

19. Employee Benefit Expenses

(₹ In Lakh)

	31-03-2018	31-03-2017
Salaries, Wages and Bonus	6,701.45	4,952.84
Contribution to Provident Fund	138.25	102.74
Gratuity Expenses	60.79	67.46
Employee Stock Option Expenses (Refer Note No. 25)	11.80	-
Staff Welfare Expenses	140.48	156.49
Total	7,052.77	5,279.53

20. Finance Costs

(₹ In Lakh)

	31-03-2018	31-03-2017
Interest on Bank Overdraft	4.99	5.14
Interest on Term Loan	7,272.23	3,363.03
Interest on Bank CC	55.82	128.82
Loan Processing Charges	692.12	174.33
Interest on Commercial Paper	1,155.89	38.12
Interest on NCD	737.09	86.91
Total	9,918.14	3,796.35

21. Depreciation and Amortization Expenses

(₹ In Lakh)

	31-03-2018	31-03-2017
Depreciation of Tangible Assets	403.99	249.21
Amortization of Intangible Assets	166.25	170.17
Total	570.24	419.38

22. Loan Provisions

(₹ In Lakh)

		31-03-2018	31-03-2017
Bad Debts Written Off	262.17	-	16.03
Less:- Floating provision written Back	(262.17)	-	
Provision for Standard Assets		387.52	353.44
Floating Provision for Standard Assets		783.53	937.85
Provision for Non Performing Assets		357.09	77.65
Total		1,528.14	1,384.97

23. Other Expenses

(₹ In Lakh)

		31-03-2018	31-03-2017
Advertisement Expenses		10.48	5.08
Diminution in the value of Bonds		75.88	-
Loss On Sale Of Fixed Assets		7.14	0.89
Bank charges		10.39	5.20
Business Promotion Expenses		33.39	6.03
Brokerage Commission		326.42	649.51
Computer Maintenance		35.30	7.85
Conveyance Expenses		198.08	118.80
Corporate Social Responsibility Expenses		192.23	196.70
Donation		2.51	11.22
Directors Sitting Fees		21.67	20.89
Filing & Other Fees to ROC		2.20	2.23
Electricity Charges		58.79	63.89
General Expenses		190.62	193.93
Legal & Professional Fees		1,129.57	884.43
Membership & Subscription		25.75	13.68
Payment to Auditors (as per details given below)		24.24	12.16
Printing & Stationery		89.93	108.99
Postage & Stamps		35.13	18.95
Recruitment & Training Expenses		105.60	188.45
Rent Paid		593.15	480.71
Software Expenses		149.69	34.32
Telephone and Internet Expenses		143.93	128.01
Travelling Expenses		266.95	223.14
Others		34.80	50.95
Total		3,763.84	3,426.01
Payment to Auditors Include			
As Auditor			
Statutory Audit Fees		10.00	6.58
Tax Audit Fees		3.00	1.75
Limited Review		7.77	1.93
In Other capacity			
Certification fees		3.47	1.90
Total		24.24	12.16

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

The Company has 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 and to HDFC Life.

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:

Mortality	2017-18	2016-17
	Indian Assured Life Mortality (2006-08)	Indian Assured Life Mortality (2006-08)
Discount Rate	7.80%	7.22%
Salary Escalation	5.00%	5.00%
Employee Attrition Rate	10.00%	10.00%

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

	(₹ In Lakh)	
	2017-18	2016-17
Liability at the beginning of the Year	161.41	94.85
Interest Cost	11.65	7.55
Current Service Cost	64.54	41.17
Liability Transferred In/Acquisitions	0.45	-
Liability Transferred Out/Divestment	(9.58)	(7.74)
Past Service Cost (vested benefit)	10.60	-
Benefits paid	(20.26)	(4.33)
Actuarial (Gain)/Loss on Obligations - Due to change in Demographic Assumptions	-	4.49
Actuarial (Gain)/Loss on Obligations - Due to change in Financial Assumptions	(8.19)	8.14
Actuarial (Gain)/Loss	(6.82)	17.27
Liability at the end of the Year	203.80	161.41

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

	(₹ In Lakh)	
Particulars	2017-18	2016-17
Investments	142.72	91.06
Expected return on plan assets	10.30	7.25
Contributions	25.00	44.65
Benefits Paid	(20.26)	(4.33)
Actuarial Gain/(Loss) on plan assets	0.68	3.91
Fair value of plan assets at the end of the year	158.45	142.54

D) Amount Recognized in Balance Sheet

Provision for Gratuity

(₹ In Lakh)

	2017-18	2016-17
Liability at the end of the Year	203.80	161.41
Fair Value of plan assets at the end of the year	158.45	142.54
Difference	(45.35)	(18.86)
Amount in Balance Sheet	(45.35)	(18.86)

E) Statement of Profit and Loss

Net Employee Benefit Expenses (recognised in employee cost)

(₹ In Lakh)

	2017-18	2016-17
Current Service Cost	64.54	41.17
Interest on defined benefit obligation	1.35	0.30
Net actuarial losses/(gains) recognised in the year	(15.70)	25.99
Past Service Cost	10.60	-
Total included in employee benefit expense	60.79	67.46

F) Experience Adjustment

(₹ In Lakh)

	2017-18	2016-17
Actuarial (Gains)/Losses on Obligations - Due to Experience	(6.82)	16.30
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	0.68	4.09

Leave Encashment:

A) Actuarial assumptions as at the balance sheet date:

Mortality	2017-18	2016-17
	Indian Assured Life Mortality (2006-08)	Indian Assured Life Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.
Discount Rate	7.80%	7.22%
Salary Escalation	5.00%	5.00%
Employee Attrition Rate	10.00%	10.00%
Expected Return on Plan Assets	N.A.	N.A.

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

(₹ In Lakh)

	2017-18	2016-17
Liability at the beginning of the Year	29.16	11.32
Interest Cost	2.11	0.90
Current Service Cost	41.19	15.61
Past Service Cost (vested benefit)	74.50	-
(Liability Transferred In/Acquisitions)	2.19	
(Liability Transferred out/Divestments)	(14.73)	(2.85)
Benefits Paid Directly by the Employer	(23.73)	(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	(4.64)	1.17
Actuarial (Gain)/Loss on Obligations - Due to Experience	44.48	4.26
Liability at the end of the Year	150.52	29.16

C) Amount Recognized in Balance Sheet**Provision for Leave Encashment**

(₹ In Lakh)

Particulars	2017-18	2016-17
Present Value of Benefit Obligation at the end of the Year	(150.52)	(29.16)
Amount in Balance Sheet	(150.52)	(29.16)

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

(₹ In Lakh)

Particulars	2017-18	2016-17
Current Service Cost	41.19	15.61
Net Interest Cost	2.11	0.90
Actuarial (gain)/losses	39.85	7.77
Past Service Cost - Vested Benefit Recognized During the Period	74.51	-
Total included in employee benefit expense	157.65	24.29

E) Experience Adjustment

(₹ In Lakh)

	2017-18	2016-17
Actuarial (Gains)/Losses on Obligations - Due to Experience	44.48	4.26

Note:

The Company has made provision of Leave Encashment amounting to ₹ 157.65 Lakh (31st March 2017: ₹ 24.29 Lakh) for the all the eligible employees.

25. Employee Stock Option Plan

The Company has granted 14,77,500 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 ₹ 2/- each
2019-20	75,000
2020-21	443,250
2021-22	468,250
2022-23	491,000

26. 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.

27. 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:

(₹ In Lakh)

Sr. Name of the Related Party No.	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
4. Capri Global Capital (Mauritius) Limited	Wholly owned Subsidiary
ii) Enterprises over which Management and/or their relatives have control	
1. Budhinath Advisory Services Private Limited	(Formerly Known as Money Matters Infrastructure Private Limited)
2. Parijat Properties Private Limited	
3. Dreamwork Media & Entertainment Private Limited	
4. Capri Global Holdings Private Limited	
5. Ramesh Chandra Sharma - HUF	
iii) Key Management Personnel	
1. Mr. Sunil Kapoor	Executive Director (Upto 4 th July, 2017)
2. Mr. Quintin E Primo III	Non Executive Chairman
3. Mr. Harish Agrawal	Company Secretary
4. Mr. Bipinchandra Kabra	Director Finance (w.e.f 17 th July, 2017)

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

(₹ In Lakh)

Sr. No.	Particulars	Subsidiaries			Enterprises over which Management and/or their relatives have control			Key Management Personnel			Total	
		Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	
a.	Profit and Loss Account Items:											
i	INCOMES:											
	Rent Received											
	Dreamwork Media & Entertainment Pvt. Ltd.	-	-	0.95	7.33	-	-	-	-	0.95	-	7.33
ii	Interest on Loan Given to Subsidiaries											
	Capri Global Resources Private Limited	4.04	0.48	-	-	-	-	-	-	4.04	-	0.48
iii	Fee Income from Subsidiary											
	Capri Global Housing Finance Limited	127.75	3.25	-	-	-	-	-	-	127.75	-	3.25
II	EXPENSES											
i	Rent Paid											
	Parijat Properties Pvt. Ltd.	-	-	12.18	48.72	-	-	-	-	12.18	-	48.72
	Capri Global Holdings Pvt. Ltd.	-	-	0.50	3.00	-	-	-	-	0.50	-	3.00
	Ramesh Chandra Sharma - HUF	-	-	33.00	33.00	-	-	-	-	33.00	-	33.00
ii	Salaries, Commission and other benefits											
	Mr. Sunil Kapoor	-	-	-	-	31.46	131.00	-	-	31.46	-	131.00
	Mr. Harish Agrawal	-	-	-	-	52.97	49.28	-	-	52.97	-	49.28
	Mr. Bipinchandra Kabra	-	-	-	-	98.98	-	-	-	98.98	-	-
iii	Director Sitting Fees											
	Mr. Quintin E Primo III	-	-	-	-	1.50	1.20	-	-	1.50	-	1.20
b.	Balance Sheet Items:											
i	Recoverable Amount											
	(a) Expenses payable to related parties											
	Capri Global Housing Finance Limited	17.33	10.88	-	-	-	-	-	-	17.33	-	10.88
	(b) Reimbursement of Expenses/Income											
	Capri Global Resources Private Limited	19.38	26.50	-	-	-	-	-	-	19.38	-	26.50
	Capri Global Housing Finance Limited	-	0.30	-	-	-	-	-	-	-	-	0.30
c.	Balance Sheet Items (Closing Balances):											
ii	Other Liabilities for rendering services											
i	Investment in Equity Shares of Subsidiaries											
	Capri Global Housing Finance Limited	7,500.00	2,500.00	-	-	-	-	-	-	7,500.00	-	2,500.00
	Capri Global Resources Private Limited	55.00	55.00	-	-	-	-	-	-	55.00	-	55.00
	Capri Global Asset Reconstruction Private Limited	250.00	1.00	-	-	-	-	-	-	250.00	-	1.00
	Capri Global Capital(Mauritius) Ltd.	13.08	-	-	-	-	-	-	-	13.08	-	-
ii	Loan Given to Subsidiary											
	Capri Global Resources Private Limited	44.00	26.50	-	-	-	-	-	-	44.00	-	26.50
iii	Interest Accrued but not due from Subsidiary											
	Capri Global Resources Private Limited	2.04	0.43	-	-	-	-	-	-	2.04	-	0.43
iv	Other Payable											
	Capri Global Housing Finance Limited	17.33	10.59	-	-	-	-	-	-	17.33	-	10.59

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

28. 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 Lakh)

Particulars	2017-2018	2016-2017
a) Payable not later than one year	484.55	371.09
b) Payable later than one year and not later than five years	2,106.04	1,438.68
c) Payable later than five years	1,317.68	1,918.64

The lease payments recognized in the Statement of Profit & Loss in respect of non-cancellable lease for the year are ₹ 361.86 Lakh (31st March 2017: ₹ 141.40 Lakh).

The lease payments recognized in the Statement of Profit & Loss in respect of cancellable lease for the year are ₹ 232.24 Lakh (31st March 2017: ₹ 346.64 Lakh).

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 ₹ 0.95 Lakh (31st March 2017: ₹ 7.33 Lakh).

29. Earnings Per Share (AS - 20)

Particulars			For Year Ended March 31, 2018	For Year Ended March 31, 2017
Net Profit after tax as per Statement of Profit and Loss	(A)	₹ In Lakh	9,399.98	5,778.48
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.	175,505,832	175,134,805
Basic earnings per equity share (Face value of ₹ 2/- per share)	(A)/(B)	₹	5.37	3.30
Diluted earnings per equity share (Face value of ₹ 2/- per share)	(A)/(C)	₹	5.36	3.30

Particulars			For Year Ended March 31, 2018	For Year Ended March 31, 2017
Weighted average number of equity shares for calculating EPS		Nos.	175,134,805	175,134,805
Add : Equity shares for no consideration arising on grant of stock options under ESOP		Nos.	371,027	-
Weighted average number of equity shares in calculation of diluted EPS		Nos.	175,505,832	175,134,805

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

31. Contingent Liability:

Income Tax matters under dispute * : ₹ 40.14 Lakh (31st March 2017 ₹ 7.02 Lakh)

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

32. Capital and other commitments

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ NIL (31st March 2017 ₹ 30.15 Lakh)
- b) Amount payable towards acquisition of Property: ₹ 912.60 Lakh (31st March 2017 ₹ 1,763.85 Lakh)
- c) Other Commitments
 - Pending disbursements of sanctioned loans ₹ 77510.14 Lakh (31st March 2017 ₹ 49,112.21 Lakh)

33. Expenditure in Foreign Currency

- a) Foreign Travelling Expenses ₹ 42.26 Lakh (31st March 2017 : ₹ 31.06 Lakh)
- b) Staff Welfare Expenses ₹ Nil (31st March 2017 : ₹ 14.49 Lakh)
- c) Director Sitting Fees ₹ 1.50 Lakh (31st March 2017 : ₹ 1.20 Lakh)

34. 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.

35. Schedule to the Balance Sheet under Annexure I of Master Direction - Non-Banking Financial Company Systematically Important Non Deposit taking and Deposit taking Company (Reserve Bank) Directions, 2016

(₹ In Lakh)

Particulars	Amount Outstanding	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	10,000.00	-
Unsecured (other than falling within the meaning of public deposits)	-	-
b) Deferred Credits	-	-
c) Term Loans	121,574.11	-
d) InterCorporate loans and borrowings	-	-
e) Commercial Paper	14,778.07	-
f) Other Loans (Cash Credit & Overdraft Facility)	90.48	-
Total	146,442.66	-

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

(₹ In Lakh)

Category	Amount net of Provisions		
	Secured	Unsecured	Total
1. Related Parties			
a) Subsidiaries		44.00	44.00
b) Companies in the same group	-	-	-
c) Other related parties	-	-	-
2. Other than related parties	261,284.02	-	261,284.02
Total	261,284.02	44.00	261,328.02

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

(₹ In Lakh)

Category	Market Value/Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
a) Subsidiaries	10,504.80	7,818.08
b) Companies in the same group	-	-
c) Other related parties	-	-
2. Other than related parties	5,529.73	5,051.50
Total	16,034.53	12,869.58

7 Other information

(₹ In Lakh)

Particulars	Amount
i) Gross NonPerforming Assets	
a) Related Parties	-
b) Other than related parties	4,386.33
ii) Net NonPerforming Assets	
a) Related Parties	-
b) Other than related parties	3,743.02
iii) Assets acquired in satisfaction of debt	429.81

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 Lakh)

Sr. No.	Type of Restructuring Asset Classification Details	Under CDR Mechanism			Under SME Debt Restructuring Mechanism			Others			Total		
		Standard	Sub-Standard	Loss	Total	Standard	Sub-Standard	Loss	Total	Standard	Sub-Standard	Loss	Total
1.	Restructured Accounts as on April 1 of the FY (opening figures)*	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	439.12	-	-	439.12	-	-	-	439.12
2.	Fresh restructuring during the year	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-
3.	Upgradations to restructured standard category during the FY 2017-18	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-
5.	Downgradations of restructured accounts during the FY 2017-18	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	439.12	-	-	439.12	-	-	-	439.12
6.	Write-offs of restructured accounts during the FY 2017-18	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-
7.	Restructured Accounts as on March 31 of the FY 2017-18 (closing figures*)	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	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. Disclosure as required under Annexure XII of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

37.1 Disclosure for CRAR :-

CRAR Items	As at March 31, 2018	As at March 31, 2017
i) CRAR (%)	39.29%	52.97%
ii) CRAR - Tier I Capital (%)	38.43%	52.13%
iii) CRAR - Tier II Capital (%)	0.86%	0.84%
iv) Amount of subordinated debt raised as Tier-II capital	Nil	Nil
v) Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

37.2 Asset-Liability profile, extent of financing of parent company products, NPAs and movement of NPAs, details of all off-balance sheet

Investments

(₹ In Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Value of Investments		
i) Gross Value of Investments		
(a) In India	12,932.38	8,078.09
(b) Outside India	13.08	Nil
ii) Provisions for Depreciation		
(a) In India	75.88	Nil
(b) Outside India	Nil	Nil
iii) Net Value of Investments		
(a) In India	12,856.5	8,078.09
(b) Outside India	13.08	Nil
Movement of provisions held towards depreciation on investments		
i) Opening balance	Nil	Nil
ii) Add: Provisions made during the year	75.88	Nil
iii) Less: Write-off/write-back of excess provisions during the year	Nil	Nil
iv) Closing balance	75.88	Nil

37.3 Derivatives

The company has not entered into any derivatives transactions.

37.4 Disclosures relating to Securitisation

There are no securitization/ Assignment transactions during the year ended 31st March, 2018. Hence, the related disclosures are not applicable.

37.5 Maturity Pattern of Assets & Liabilities as at March 31, 2018

Particulars	(₹ In Lakh)										Total	
	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				
Liabilities												
Borrowing from Banks (Refer Note iii)	520.16 (2,869.14)	2,790.66 (916.67)	3,894.16 (2,291.67)	8,454.80 (3,208.33)	20,051.60 (9,333.33)	67,791.48 (38,000.02)	13,699.25 (3,666.64)	4,372.00			121,574.11	
Market Borrowings	-	5,000.00	5,000.00	5,000.00	1,500.00	6,000.00	-	-	-	-	22,500.00	
Foreign Currency liabilities	-	(5,000.00)	-	-	-	(7,500.00)	-	-	-	-	(12,500)	
Assets												
Advances	12,378.43 (2,040.36)	6,241.57 (1,615.81)	1,232.49 (1,898.99)	4,529.15 (5,054.46)	18,216.36 (17,029.25)	88,017.50 (49,806.65)	36,914.14 (39,725.73)	89,413.65 (64,488.38)	256,943.29		(181,659.64)	
Investments	124.24 (4,000.00)	2,104.24	2,450.31	372.72				7,818.08	12,869.58		(2,966.09)	
Foreign Currency assets	-	-	-	-	(1,522.09)	-	-	-	-	-	-	-

Note:

- Maturity pattern of the Investments are based on the Management's intention to hold them for a desired period.
- Figures of Previous years are given in brackets
- Borrowings from Banks includes cash credit and overdraft facility classified under upto 30 days maturity period which are generally availed as rollover facility.

37.6 Exposures**Exposure to Real Estate Sector**

(₹ In Lakh)

Category	As at March 31, 2018	As at March 31, 2017
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 ₹ 15 Lakh may be shown separately)	17.75	19.28
ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.)	103,797.22	60,280.09
iii) 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

37.7 Exposure to Capital Market

Category	As at March 31, 2018	As at March 31, 2017
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;	745.43	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

Category	As at March 31, 2018	As at March 31, 2017
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	745.43	1,522.09

(₹ In Lakh)

	As at March 31, 2018	As at March 31, 2017
37.8 Details of financing of parent company products	Nil	Nil
37.9 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC	Nil	Nil
37.10 Unsecured Advances	44.00	26.93
37.11 i. RBI Registration No.	B-13.01882	
ii. Penalties, if any, levied by any regulator;	NIL	
iii. 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 ₹ 2,500 Cr.	
Commercial Paper	A1+ by Credit Analysis and Research upto ₹ 350 Cr.	
Non-Convertible Debentures	A+ by Credit Analysis and Research upto ₹ 300 Cr.	

37.12 Additional Disclosures

a) Provisions and Contingencies

(₹ In Lakh)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss	As at March 31, 2018	As at March 31, 2017
Provisions for depreciation on Investment	75.88	Nil
Provision towards NPA	357.09	77.65
Provision made towards Income tax	3,890.87	3,741.02
Other Provision and Contingencies		
Provision for Standard Assets	387.52	353.44
Floating Provision Against Standard Asset	783.52	937.85
Provision for Depreciation	570.24	419.38
Provision for Gratuity	60.79	67.46
Provision for Compensated Absence	121.37	17.84

b) Draw Down from Reserves

The Company has not made any draw down from reserves during the previous year.

c) Concentration of Public Deposits , Advances, Exposures and NPAs

There are no public deposits during the year ended 31st March 2018. Hence related disclosures are not applicable

d) Concentration of Advances

(₹ In Lakh)

	As at March 31, 2018	As at March 31, 2017
Total Advances to twenty largest borrowers	50,767.10	46,405.22
Percentage of Advances to twenty largest borrowers to Total Advances of the Company	19.43%	25.55%

e) Concentration of Exposures

(₹ In Lakh)

	As at March 31, 2018	As at March 31, 2017
Total Exposure to twenty largest borrowers/customers	75,203.10	75,551.22
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	22.19%	32.74%

f) Concentration of NPAs

(₹ In Lakh)

	As at March 31, 2018	As at March 31, 2017
Total Exposure to top four NPA accounts (Gross)	1,811.56	882.08

g) Sector-wise NPAs

(₹ In Lakh)

Sr Sector No.	Percentage of NPAs to Total Advances in that sector	
	As at March 31, 2018	As at March 31, 2017
1 Agriculture & allied activities	Nil	Nil
2 MSME	2.23%	1.47%
3 Corporate borrowers	0.96%	Nil
4 Services	Nil	Nil
5 Unsecured personal loans	Nil	Nil
6 Auto loans	Nil	Nil
7 Other personal loans	Nil	Nil

h) Movement of NPAs

(₹ In Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
i) Net NPAs to Net Advances (%)	1.44%	0.84%
ii) Movement of NPAs (Gross)		
a) Opening balance	1,783.69	974.35
b) Additions during the year	6,095.15	1,986.83
c) Reductions during the year	3,492.51	1,177.49
d) Closing balance	4,386.33	1,783.69
iii) Movement of Net NPAs		
a) Opening balance	1,519.42	832.55
b) Additions during the year	5,394.59	1,788.15
c) Reductions during the year	3,171.00	1,101.28
d) Closing balance	3,743.01	1,519.42
iv) Movement of provisions for NPAs(excluding provisions on standard assets)		
a) Opening balance	264.27	141.80
b) Provisions made during the year	700.56	579.41
c) Write-off / write-back of excess provisions	321.51	456.94
d) Closing balance	643.32	264.27

i) Overseas Assets

(₹ In Lakh)

Particulars	Country	As at March 31, 2018	As at March 31, 2017
Capri Global Capital (Mauritius) Ltd	Mauritius	13.08	NIL

j) Off-balance Sheet SPVs sponsored

(₹ In Lakh)

	Domestic	Overseas
Name of the SPV sponsored – N/A	N/A	N/A

k) Customer Complaints

(₹ In Lakh)

Particulars	Current Year	Previous Year
a) No. of complaints pending at the beginning of the year	1	2
b) No. of complaints received during the year	31	32
c) No. of complaints redressed during the year	31	33
d) No. of complaints pending at the end of the year	1	1

38. The 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 0.40 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 quarter / year ended 31st March, 2018, the profits of the company are lower by ₹ 21.18 Lakh and ₹ 78.54 Lakh respectively.

Further, in pursuance to the Company's Board approved policy, the Company is making an additional Contingency Provision of 1.50 percent on Standard Assets which are subsequently earmarked towards specific accounts which become Non Performing Assets (NPA). The Contingency provision as at 31st March, 2018 is ₹ 1,443.16 Lakh net off utilization of ₹ 619.07 Lakh for Non Performing Assets (including Write offs) during the year.

39. 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.

40. Subsequent Event

The Board of Directors of the Company at its meeting held on 26th May, 2018 has recommended Dividend of ₹ 0.30 per share for the Financial Year 2017-18 subject to the approval of the members at the ensuing Annual General Meeting. In terms of the revised Accounting Standards, AS-4 'Contingencies and Events Occurring after the Balance Sheet Date' as notified by the Ministry of Corporate Affairs through amendments to the Companies (Accounting Standards) Rules, 2016, the Company has not appropriated the proposed final dividend (including tax) from the Statement of Profit and Loss for the year ended March 31, 2018.

41. Previous year figures

Previous years figures have been regrouped and reclassified wherever necessary to confirm to current year's presentation.

For and on behalf of the Board of Directors

Bipinchandra Kabra
Director-Finance
DIN 02879448

Rajesh Sharma
Director
DIN 00020037

Beni Prasad Rauka
Independent Director
DIN 00295213

Bhavin Shah
Senior Vice President
Finance & Accounts

Harish Agrawal
Senior Vice President &
Company Secretary

Place: Mumbai
Date: 26th May, 2018

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** (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the 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 Standards prescribed under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India. 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 the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the

provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us 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, and based on the consideration of separate unaudited financial statements referred to in the Other Matter paragraph below, the aforesaid 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 Standards and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of ₹ 12,93,636 as at 31st March, 2018, total revenues of ₹ Nil and net cash

inflows amounting to ₹ 12,93,636 for the period 30th January 2018 to 31st March, 2018, as considered in the consolidated financial statements. The aforesaid financial statements is unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the other financial statements of the subsidiary referred in the Other Matter paragraph above we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 returns.
- (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 prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company, taken on record

by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2018 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, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding Company and the subsidiary company incorporated in India to whom internal financial controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies for the reasons stated therein.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as at 31st March, 2018.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts as at 31st March, 2018.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

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

G. K. Subramaniam
Partner
(Membership No. 109839)

Place: Mumbai
Date: May 26, 2018

Annexure "A" to the Independent Auditors' Report

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

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

In conjunction with our audit of the consolidated financial statements of the **Capri Global Capital Limited** as at and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of Capri Global Capital Limited (hereinafter referred to as the "Holding Company") and its subsidiary company, which are companies incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary company which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control 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 internal financial controls system over financial reporting of the Holding Company and its subsidiary company which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018

based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note.

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

G. K. Subramaniam
Partner
(Membership No. 109839)

Place: Mumbai
Date: May 26, 2018



Consolidated Balance Sheet

As at 31st March, 2018

(₹ in Lakh)

	Notes	As at 31-03-2018	As at 31-03-2017
I. EQUITY AND LIABILITIES			
1 Shareholders' Fund			
Share Capital	2	3,502.70	3,502.70
Reserves and Surplus	3	122,357.44	112,562.60
		125,860.14	116,065.30
2 Non-Current Liabilities			
Long Term Borrowings	4	104,876.63	50,083.33
Other Non Current Liabilities	5	79.18	163.61
Long Term Provisions	6	2,413.09	1,649.91
		107,368.90	51,896.85
3 Current Liabilities			
Short Term Borrowings	7	14,868.55	7,869.13
Trade Payables	8		
a) Micro enterprises and small enterprises		-	-
b) Others		1,913.87	883.79
Other Current Liabilities	5	49,928.69	21,369.62
Short Term Provisions	6	1,134.59	527.49
		67,845.70	30,650.03
Total		301,074.74	198,612.18
II. ASSETS			
1 Non Current Assets			
Fixed Assets	9		
Tangible Assets		1,210.54	1,025.30
Intangible Assets		222.36	236.52
Capital work in progress		-	26.72
		1,432.90	1,288.54
Non Current Investments	10	109.74	2,653.31
Deferred Tax Assets (Net)	11	1,033.81	259.07
Long Term Loans and Advances - Financing Activity	12	227,516.52	156,169.32
Long Term Loans and Advances - Others	13	2,422.81	2,642.03
Other Non-Current Assets	14	-	1,173.01
		231,082.88	162,896.73
2 Current Assets			
Current Investments	10	5,051.50	4,154.75
Trade Receivables	15	99.00	72.62
Cash and Bank Balances	16	3,136.68	1,141.01
Short Term Loans and Advances-Financing Activity	12	55,715.44	24,794.19
Short Term Loans and Advances-Others	13	982.60	1,037.57
Other Current Assets	14	3,573.74	3,226.77
		68,558.96	34,426.91
Total		301,074.74	198,612.18
Significant Accounting Policies	1B		

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

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

G. K. Subramaniam
Partner

Place: Mumbai
Date: 26th May, 2018

For and on behalf of the Board of Directors

Bipinchandra Kabra
Director-Finance
DIN 02879448

Bhavin Shah
Senior Vice President
Finance & Accounts

Place: Mumbai
Date: 26th May, 2018

Rajesh Sharma
Director
DIN 00020037

Harish Agrawal
Senior Vice President &
Company Secretary

Beni Prasad Rauka
Independent Director
DIN 00295213

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2018

(₹ in Lakh)

	Notes	Year Ended	
		31-03-2018	31-03-2017
I. INCOME			
Revenue from Operations	17	35,387.89	21,572.43
Other Income	18	4,081.85	1,936.29
Total Revenue		39,469.74	23,508.72
II. EXPENSES			
Employee Benefit Expenses	19	8,125.24	5,461.12
Finance Costs	20	10,204.22	3,798.71
Depreciation and Amortization Expenses	21	622.49	430.26
Loan Provisions	22	1,593.81	1,371.55
Other Expenses	23	4,509.55	2,893.37
Total Expenses		25,055.31	13,955.01
III. PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		14,414.43	9,553.71
Less: Exceptional Items		-	-
IV. PROFIT BEFORE TAX		14,414.43	9,553.71
Less: Tax Expenses			
Current Tax		5,070.69	3,800.11
MAT Credit Entitlement		(258.53)	-
Deferred Tax		(939.83)	(65.09)
Tax Adjustment of Earlier years		135.26	6.46
		4,007.59	3,741.48
V. PROFIT FOR THE YEAR		10,406.84	5,812.23
VI. EARNINGS PER EQUITY SHARE			
(Nominal Value of share ₹2/- each)	29		
Basic		5.94	3.32
Diluted		5.93	3.32
Significant Accounting Policies	1B		

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

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

G. K. Subramaniam
Partner

Place: Mumbai
Date: 26th May, 2018

For and on behalf of the Board of Directors

Bipinchandra Kabra
Director-Finance
DIN 02879448

Rajesh Sharma
Director
DIN 00020037

Beni Prasad Rauka
Independent Director
DIN 00295213

Bhavin Shah
Senior Vice President
Finance & Accounts

Harish Agrawal
Senior Vice President &
Company Secretary

Place: Mumbai
Date: 26th May, 2018



Consolidated Cash Flow Statement

for the year ended 31st March, 2018

(₹ in Lakh)

Particulars	Year Ended	
	31-03-2018	31-03-2017
(A) CASH FLOW FROM OPERATING ACTIVITIES AND EXCEPTIONAL ITEMS		
Profit Before Taxation	14,414.43	9,553.71
Add/(Less):		
Depreciation	622.49	430.26
Share Issue Expense	18.75	-
Employees Stock Option Scheme Expenses	20.36	-
Loss on Sale of Fixed Assets	7.14	22.50
Short Term Capital Gain on Mutual Fund	(252.29)	(1,030.39)
Long Term Capital Gain on sale of shares	(763.54)	-
Dividend Income on Shares	(49.93)	(54.08)
Interest Income	(31,204.34)	(20,615.15)
Interest Expense	9,373.17	3,499.36
Provision for Standard Assets	447.83	356.05
Floating Provision for Standard Asset	783.52	937.85
Provision for Non Performing Assets	361.98	77.65
Operating Profit before exceptional items	(6,220.43)	(6,822.23)
Add: Exceptional Items	-	-
Operating Profit before working capital changes	(6,220.43)	(6,822.23)
<i>Changes in working capital:</i>		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(18.18)	(275.91)
Short-term loans and advances	(30,936.73)	(9,246.60)
Long-term loans and advances	(73,309.16)	(66,492.75)
Other current assets	(139.30)	1,887.77
Other non-current assets	13.86	(412.22)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	1,021.87	95.94
Other current liabilities	28,555.49	12,394.85
Other long-term liabilities	(84.43)	(74.84)
Short-term provisions	413.86	219.00
Long-term provisions	741.44	25.53
CASH GENERATED FROM OPERATING ACTIVITIES	(79,961.71)	(68,701.47)
Interest Received	30,878.50	24,299.84
Interest Paid	(9,377.21)	(3,624.39)
NET CASH GENERATED FROM OPERATING ACTIVITIES	(58,460.42)	(48,026.02)
(Less:) Direct Taxes Paid	(3,961.01)	(3,113.65)
NET CASH GENERATED USED IN OPERATING ACTIVITIES (A)	(62,421.43)	(51,139.67)

(₹ in Lakh)

Particulars	Year Ended	
	31-03-2018	31-03-2017
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(842.93)	(938.90)
Increase in Capital WIP	26.72	-
Sale of Fixed Assets	42.25	1.04
Sale of Mutual Fund	4,052.55	9,235.34
Sale of Equity Shares	2,671.48	119.97
Investment in Bonds	(4,306.07)	(4,000.00)
Dividend Income	49.93	54.08
Encashment of Fixed Deposit	1,361.28	84.63
Net Cash Flow used in Investing Activities (B)	3,055.19	4,556.17
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Borrowings	61,848.35	46,627.69
Share Issue Expenses	(18.75)	-
Dividend Paid	(525.40)	(525.40)
Dividend Distribution Tax Paid	(106.96)	(106.96)
Net Cash Flow generated from Financing Activities (C)	61,197.24	45,995.33
Net Increase in Cash & Cash Equivalents (A+B+C)	1,831.00	(588.17)
Cash & Cash Equivalents at the beginning	1,060.93	1,649.10
Cash & Cash Equivalents at the end	2,891.93	1,060.93

(₹ in Lakh)

Notes:	Year Ended	
	31-03-2018	31-03-2017
1. Cash and Cash equivalents		
Cash in hand	17.10	11.26
Balance with banks:		
In Current Accounts	2,873.36	1,377.11
In Unpaid Dividend Account	1.47	1.29
Current maturities of fixed deposits with Original Maturity of Less than 3 Months	-	259.83
Total	2,891.93	1,649.49

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

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

G. K. Subramaniam
Partner

Place: Mumbai
Date: 26th May, 2018

For and on behalf of the Board of Directors

Bipinchandra Kabra
Director-Finance
DIN 02879448

Rajesh Sharma
Director
DIN 00020037

Beni Prasad Rauka
Independent Director
DIN 00295213

Bhavin Shah
Senior Vice President
Finance & Accounts

Harish Agrawal
Senior Vice President &
Company Secretary

Place: Mumbai
Date: 26th May, 2018



Notes to Consolidated Financial Statements

for the year ended 31st March, 2018

1A Corporate Information

Capri Global Capital Limited (the "Company") is engaged in the business of originating, funding and servicing loans to Micro, Small and Medium Enterprises (MSMEs) and Construction Finance in India and in providing ancillary services related to the said business activities. The Company is Systematically Important Non-deposit taking Non-Banking Financial Company ("NBFC"), holding a Certificate of Registration from the Reserve Bank of India ("RBI") dated 5th November 2007.

1B Significant Accounting Policies

1.1 Basis of Accounting and Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, rules thereunder and the relevant provisions of the Companies Act, 2013 (the "Act"), as applicable, so far as these are not inconsistent with Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India (RBI). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Current assets do not include elements which are not expected to be realised within one year and current liabilities do not include items which are due after one year.

1.2 Use of Estimates:

Presentation and Disclosure of Financial Statement

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

1.3 Basic 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 rules issued thereunder. 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. period ended on 31st March 2018.

(ii) Wholly owned 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
- d) Capri Global Capital (Mauritius) Limited

1.4 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria are met before revenue is recognized:

a) Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate except that no income is recognized on non-performing assets as per the prudential norms for income recognition issued by the RBI. 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.

b) Loan processing fees

Loan processing fees on loans is collected towards processing of loan and documentation charges. This is recognised as income when the amount become due and there is no uncertainty in realisation.

c) Income from 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.

d) Interest on deposits

Interest on deposits is recognised on accrual basis.

e) Dividend income

Dividend income is accounted as and when right to receive dividend is established.

1.5 Property, plant and equipment

Property, Plant and Equipment are stated at cost of acquisition less accumulated depreciation / amortisation and impairment loss, if any. Cost comprises of purchase / acquisition price, non-refundable taxes, duties, freight and directly attributed cost of bringing the assets to its working condition for its intended use.

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 its working condition for its intended use.

Capital work-in-progress includes assets not ready for the intended use and are carried at cost, comprising direct cost and related incidental expenses.

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 Depreciation and Amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

a) Tangible Assets

Depreciation on tangible assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Act.

b) Intangible Assets

Intangible assets are amortised 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.

c) All capital assets with individual value less than ₹ 5,000 are depreciated fully in the year in which they are purchased.

1.8 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.

1.9 Foreign Currency Translation

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transactions. Foreign currency monetary items as at the Balance Sheet date are restated at the year end rates. Exchange differences arising on realisation and year end restatements are recognised as income or expense in the Statement of Profit and Loss.

1.10 Investments

Long-term investments are carried at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

1.11 Borrowing Costs

The Group borrows funds, primarily in Indian Rupees, and carry a fixed rate or floating rate of interest. Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss.

1.12 Retirement and other employee benefits

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

Provident Fund

The Group's contribution paid/ payable during the year towards Provident Fund are charged to Statement of Profit and Loss every year.

Gratuity and leave encashment

The Group 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 of India (LIC) and to HDFC Standard Life Insurance Company (HDFC Life). The Group has created planned assets by contribution to the gratuity fund with LIC and HDFC Life.

The Group liability towards gratuity and compensated absences is determined on the basis of actuarial valuation done by an independent actuary. The actuarial gains and losses determined by the actuary are recognised immediately in the Statement of Profit and Loss as an income or expense.

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 the Institute of Chartered Accountants of India (ICAI). The Group measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

1.14 Leases

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.

1.15 Cash and cash equivalents

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

1.16 Cash Flow statement

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

1.17 Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Dilutive potential equity shares are determined independently for each period presented.

1.18 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being

the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set-off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

1.19 Provisions for Non-Performing Assets ("NPAs")

Loans are initially recorded at the disbursed principal amounts and are subsequently adjusted for recoveries and any unearned income.

The provision on Standard and Non-Performing Loans is made as per the prudential norms prescribed in the guidelines issue by RBI and NHB as amended. Additional provisions (over and above the prudential norms) if

required is made as per the Guidelines approved by the Board of Directors from time to time.

Provisions are established on a collective basis against loan assets classified as "Standard" to absorb credit losses on the aggregate exposures in each of the Group's loan portfolios based on the RBI directions.

1.20 Provisions and contingencies

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

1.21 Service Tax / Good and Service Tax input credit

Service tax / Goods and Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

1.22 Operating Cycle

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

2. Share Capital

(₹ In Lakh)

	31-03-2018	31-03-2017
Authorized Shares		
36,00,00,000 (31 Mar 2017: 36,00,00,000) Equity Shares of ₹ 2/- 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 2017: 17,51,34,805) Equity Shares of ₹2/- 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 year

	31-03-2018		31-03-2017	
	Nos.	₹ In Lakh	Nos.	₹ In Lakh
Equity Shares:				
At the beginning of the year	17,51,34,805	3,502.70	35,026,961	3,502.70
Addition due to split of shares in ratio 1:5	-	-	14,01,07,844	-
Outstanding at the end of the year	17,51,34,805	3,502.70	17,51,34,805	3,502.70

2.2 Terms/Rights attached to equity shares:

The company has only one class of equity share having a par value of ₹ 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.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group. 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 ₹ 2/- each fully paid up:

Name of Shareholder	31-03-2018		31-03-2017	
	Nos.	%	Nos.	%
Capri Global Holdings Pvt. Ltd.	6,78,24,643	38.73	6,60,40,395	37.71
Mr. Ramesh Chandra Sharma	4,37,64,930	24.99	4,37,64,930	24.99
Capri Global Advisory Services Pvt. Ltd.	1,75,17,060	10.00	1,75,17,060	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 Lakh)

	31-03-2018	31-03-2017
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 Employee stock options outstanding		
Employee Stock Options Outstanding	143.44	-
Less: Deferred employee stock compensation	123.08	-
Closing Balance	20.36	-

(₹ In Lakh)

	31-03-2018	31-03-2017
3.3 General Reserve		
Balance as per the last financial statements	6,420.53	5,970.53
Add: Amount transferred from surplus balance in the statement of profit and loss	-	450.00
Closing Balance	6,420.53	6,420.53
3.4 Surplus in the Statement of Profit and Loss		
Balance as per the last Financial Statements	47,057.95	42,875.71
Profit for the Year :	10,406.84	5,812.23
Less: Appropriations		
Less : Dividend Paid	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	1,880.00	1,160.00
Transfer to Reserves as per Section 29C of the National Housing Bank Act, 1987	211.00	20.00
Transfer to General Reserve	-	450.00
Net surplus in the Statement of Profit and Loss	54,741.42	47,057.94
3.5 Reserve Fund as per Section 45 I C(1) of Reserve Bank of India Act, 1934		
Balance as per the last Financial Statements	14,020.00	12,860.00
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	1,880.00	1,160.00
Closing Balance	15,900.00	14,020.00
3.6 Statutory Reserve U/s 29C of the National Housing Bank Act, 1987		
Balance as per the last financial statements	70.00	50.00
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	211.00	20.00
Closing Balance	281.00	70.00
3.7 Capital Reserve	284.07	284.07
Total Reserves and Surplus	122,357.44	112,562.60

4. Long Term Borrowings

(₹ In Lakh)

	31-03-2018	31-03-2017
Secured		
Term Loans from Banks	96,376.63	42,583.33
Non Convertible Debentures	8,500.00	7,500.00
Total	104,876.63	50,083.33

Note :

The above term loans are secured against the Pari Passu Charge on the Standard Identified Receivables of MSME, Retails Credit assets and Construction Finance Assets of the Company.

(a) Name of Bank (Term Loan)	Facility amount (₹ in Lakh)	Repayment schedule
Bank of Maharashtra	5,000.00	Repayable in 12 quarterly instalments started from Sep 2015
Bank of Maharashtra	20,000.00	Repayable in 12 quarterly instalments starting from Mar 2017
Andhra Bank	3,000.00	Repayable in 12 quarterly instalments starting from Nov 2016
Andhra Bank	3,000.00	Repayable in 12 quarterly instalments starting from May 2017
Andhra Bank	5,000.00	Repayable in 12 quarterly instalments starting from Mar 2018
Bank of India	2,500.00	Repayable in 12 quarterly instalments starting from Dec 2016
Bank of India	5,000.00	Repayable in 12 quarterly instalments starting from Jan 2018
Vijaya Bank	5,000.00	Repayable in 12 quarterly instalments starting from May 2017
Vijaya Bank	7,500.00	Repayable in 12 quarterly instalments starting from Dec 2017
Vijaya Bank	5,000.00	Repayable in 12 quarterly instalments starting from June 2018
Union Bank	10,000.00	Repayable in 12 quarterly instalments starting from May 2018
Union Bank	5,000.00	Repayable in 24 quarterly instalments starting from Feb 2019
Union Bank	20,000.00	Repayable in 24 quarterly instalments starting from Jun 2019
UCO Bank	4,500.00	Repayable in 12 quarterly instalments starting from Oct 2018
Bank Of Baroda	20,000.00	Repayable in 12 quarterly instalments starting from Sept 2018
Dena Bank	2,500.00	Repayable in 12 quarterly instalments starting from Dec 2018
United Bank	5,000.00	Repayable in 12 quarterly instalments starting from Dec 2018
ICICI Bank	2,500.00	Repayable in 16 quarterly instalments starting from Dec 2017
YES Bank	15,000.00	Repayable in 16 quarterly instalments starting from Mar 2018
Punjab National Bank	10,000.00	Repayable in 16 quarterly instalments starting from Mar 2019
Indian Bank	10,000.00	Repayable in 24 quarterly instalments starting from Mar 2019
Punjab Sind Bank	5,000.00	Repayable in 24 quarterly instalments starting from May 2019
Sinhan Bank	2,500.00	Repayable in 8 quarterly instalments starting from May 2018
Kotak Bank	2,500.00	Repayable in 24 quarterly instalments starting from Mar 2018
State Bank Of India	10,000.00	Repayable in 12 quarterly instalments starting from Jan 2019
Karnataka Bank	2,000.00	Repayable in 12 quarterly instalments starting from Jun 2018
Union Bank of India	5,000.00	Repayable in 28 quarterly Installment from Mar 2019
State Bank of India	5,000.00	Repayable 28 quarterly Installment from April 2019
Yes Bank	5,000.00	Repayable in 20 quarterly Installment starting from April 2018
Bank of Maharashtra	7,500.00	Repayable in 24 quarterly Installment from May 2019
Andhra Bank	2,500.00	Repayable in 28 quarterly Installment May 2019
Vijaya Bank	3,000.00	Repayable in 28 quarterly Installment from May 2019
United Bank of India	2,500.00	Repayable in 28 quarterly Installment from May 2019
UCO Bank	5,000.00	Repayable in 28 quarterly Installment from May 2019

Note:- The rate of Interest on above Term Loans is in the range of 3M /1Y MCLR + 0.10% - 1.50%

b) Particulars of Secured Redeemable Non-Convertible Debentures

Particulars	Amount (₹ In Lakh)	Date of Allotment	Interest rate % p.a	Date of Redemption	Redeemable term
Series I Tranche I * (FV ₹10 Lakh)	5000	17.02.2017	9.50%	17.02.2020	Redeemable at par after expiry of 3 years.
Series I Tranche II (FV ₹10 Lakh)	1000	20.01.2017	10.50%	20.01.2020	Redeemable at par after expiry of 3 years.
Series I Tranche III (FV ₹10 Lakh)	1500	07.03.2017	10.25%	07.03.2019	Redeemable at par after expiry of 2 years.
Series II Tranche I ** (FV ₹10 Lakh)	2500	27.03.2018	9.75%	27.09.2019	Redeemable at par after expiry of 18 months.

Note : The above NCDs are secured against the Pari Passu Charge on book debts and immovable property (Located in Chennai).

*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.

**These Debentures have tenure of 1.5 years subject to put option with the lender/investor to be exercised at the end of 3 months from the date of allotment.

5. Other Liabilities:

(₹ In Lakh)

	Non-Current		Current	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Current Maturities of Long-term Borrowings				
Term Loan	-	-	36,182.15	14,833.33
Non Convertible Debentures	-	-	1,500.00	-
Other Payables				
Temporary overdrawn balance as per books	-	-	11,075.54	6,152.11
Statutory Dues Payable	-	-	335.85	118.91
Margin Money	79.18	163.61	-	101.36
Unpaid Dividend	-	-	1.47	1.29
Interest accrued but not due on borrowings	0.00	-	109.15	86.91
Others	-	-	724.53	75.71
Total	79.18	163.61	49,928.69	21,369.62

6. Provisions

(₹ In Lakh)

	Long Term		Short Term	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
6.1 Provisions for employee benefits:				
Provision for Gratuity (Net)	58.42	1.59	-	28.39
Provision for Compensation Absences	141.72	25.81	34.28	6.34
Provision for Tax (Net of Advance Tax)	-	-	522.48	244.59
6.2 Others:				
Provision against Standard Assets	1,075.30	774.53	272.32	125.26
Floating Provision Against Standard Assets	1,137.65	847.98	305.51	122.91
Total	2,413.09	1,649.91	1,134.59	527.49

7. Short Term Borrowings

(₹ In Lakh)

	31-03-2018	31-03-2017
Secured		
Loans repayable on demand from Banks :		
Cash Credit from Union Bank of India	-	2,834.57
Bank Overdraft facility	90.48	34.56
Unsecured		
Commercial papers	14,778.07	5,000.00
(Net of unamortised discount of ₹221.93 Lakh)		
Total	14,868.55	7,869.13

Note : The Company has the Cash Credit limit of 10,000 Lakh. (31 March 2017 ₹ 5000 Lakh) against the Pari Passu Charge on the Standard Identified Receivables of MSME, Retails Credit assets and Wholesale Credit Assets of the Company.

8. Trade Payable

(₹ In Lakh)

	31-03-2018	31-03-2017
8.1 Amount due and payable to Micro and Small Enterprises	-	-
8.2 Amount due and payable to other than Micro and Small Enterprises		
Accrued Employee Benefit Expenses	690.00	315.00
Accrued Expenses	505.86	339.30
Other Trade Payables	718.01	229.49
Total	1,913.87	883.79

9. Fixed Assets

Life	Gross Block				Depreciation / Amortization			Net Block	
	Cost as at 01.04.2017	Additions	Disposals/ adjustments	Cost as at 31.03.2018	As at 01.04.2017	For the Year	Adjustment on Disposals	As at 31.03.2018	As at 31.03.2017
a) Tangible Assets									
Buildings(Leasehold Premises)	128.98	98.64	-	227.62	5.58	48.87	-	54.45	173.17
									123.40
Building (Flats)	-	(128.98)	-	(128.98)	-	(5.58)	-	(5.58)	(123.40)
	27.00	-	-	27.00	0.03	1.26	-	1.29	25.72
									26.98
	-	(27.00)	-	(27.00)	-	(0.03)	-	(0.03)	(26.98)
Computers	424.00	283.83	13.75	694.09	308.07	123.47	12.81	418.73	275.36
	(348.80)	(127.01)	(51.81)	(424.00)	(263.17)	(93.93)	(49.04)	(308.06)	(115.94)
									(85.63)
Furniture and Fixtures	489.71	134.44	-	624.16	169.42	98.20	-	267.62	356.54
	(431.41)	(278.88)	(220.58)	(489.71)	(328.33)	(42.61)	(201.52)	(169.42)	(320.30)
									(103.08)
Office Equipments	241.49	73.70	0.66	314.53	110.79	79.49	0.63	189.65	124.88
	(142.87)	(128.25)	(29.63)	(241.50)	(107.02)	(31.80)	(28.03)	(110.79)	(130.71)
									(35.85)
Electric Installation	118.12	9.93	-	128.05	28.60	24.09	-	52.69	75.36
	(29.08)	(89.04)	-	(118.12)	(22.52)	(6.08)	-	(28.60)	(89.52)
									(6.57)
Vehicles	476.38	86.30	79.07	483.61	257.92	76.86	30.65	304.13	179.48
	(382.21)	(94.70)	(0.53)	(476.39)	(179.81)	(78.53)	(0.42)	(257.93)	(218.46)
									(202.40)
Current Year	1,905.70	686.85	93.47	2,499.07	880.40	452.23	44.09	1,288.55	1,210.52
Previous Year	(1,334.37)	(873.87)	(302.55)	(1,905.70)	(900.85)	(258.56)	(279.01)	(880.40)	(1,025.30)
									(433.54)
b) Intangible Assets									
Software	227.02	156.09	-	383.11	178.86	34.44	-	213.30	169.81
	(188.72)	(38.31)	-	(227.03)	(148.33)	(30.52)	-	(178.85)	(40.83)
									188.35
Royalty	705.40	-	-	705.40	517.05	135.81	-	652.86	52.54
	(705.40)	-	-	(705.40)	(375.88)	(141.17)	-	(517.05)	(188.35)
									(329.52)
Current Year	932.42	156.09	-	1,088.51	695.91	170.25	-	866.16	222.35
Previous Year	(894.12)	(38.31)	-	(932.43)	(524.22)	(171.69)	-	(695.91)	(369.90)
									(236.52)
TOTAL Current Year	2,838.12	842.93	93.47	3,587.58	1,576.31	622.49	44.09	2,154.71	1,432.87
Previous Year	(2,228.49)	(912.18)	(302.55)	(2,838.13)	(1,425.07)	(430.25)	(279.01)	(1,576.31)	(1,261.82)
									(803.44)

Notes :

- a) Software is 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.

10. Investments

(₹ In Lakh)

	Non-Current		Current	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
10.1 Trade Investments, Unquoted (valued at cost unless stated otherwise)	-	-	-	-
Investment in Equity Shares:				
1,01,238 (31 Mar 2017 : 3,63,000) CARE Equity Shares of ₹10 each fully paid -up	-	2,653.31	745.43	-
Investment in Bonds:				
200 (31 Mar 2017 : NIL) 7.37 % NTPC Limited Bonds (Series 66) of ₹10,00,000 each fully paid -up	-	-	1,980.00	-
239 (31 Mar 2017 : NIL) 8.25 % THE GREAT EASTERN SHIPPING COMPANY LTD of ₹10,00,000 each fully paid -up	-	-	2,401.95	-
			4,381.95	
Less: - Diminution in the value of Bonds			(75.88)	
			4,306.07	-
	-	2,653.31	5,051.50	-
10.2 Non-Trade Investments, Quoted (valued at cost unless stated otherwise)				
Investment in Mutual Funds				
BSLCash Plus Direct Growth	-	-	-	1,500.00
Kotak Mahindra MF	-	-	-	1,000.00
Sundaram MF	-	-	-	1,500.00
ICICI PRU MF Money Market DG Investment	-	-	-	15.01
ICICI PRU Liquid Fund DG Investment	-	-	-	30.00
				4,045.01
10.3 Other Non-Current Investments (Valued at cost)				
Investment in Immovable Property	109.74	-	-	109.74
Total	109.74	2,653.31	5,051.50	4,154.75
Aggregate amount of Unquoted Investments				
In Equity Shares	-	-	-	-
In Plot	109.74	-	-	109.74
In Bonds	-	-	4,306.07	-
In Mutual Funds	-	-	-	4045.01
Aggregate amount of Quoted Investments				
In Equity Shares	-	2,653.31	745.43	-
Market value of Quoted investments	-	6,144.50	1,223.66	-

11. Deferred Tax Assets/(Liabilities) Net

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

(₹ In Lakh)

	31-03-2018	31-03-2017
Deferred Tax Assets		
Timing difference on account of :		
Excess of WDV of the assets as per Income Tax Act, 1961 over the Financial Books.	142.54	76.93
Provision for Leave encashment	48.09	11.07
Provision for Gratuity	-	0.49
Provision for Standard assets	393.85	-
Floating Provision for Standard Assets	420.24	-
Carry Forward losses under the Income Tax Act, 1961	29.09	170.58
Total	1,033.81	259.07

12. Loans and Advances - Financing Activity

(₹ In Lakh)

	Non-Current		Current	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Secured, considered good				
Loans and advances relating to financing activity	2,02,163.52	1,54,476.77	54,067.43	24,290.08
Housing Loans	22,752.30	638.62	478.19	11.50
Secured, considered doubtful				
Loans and advances relating to financing activity	2,688.92	1,240.34	1,697.41	543.35
Housing Loans	31.82	-	0.58	-
	2,27,636.56	1,56,355.73	56,243.61	24,844.93
Less: Provision for Restructured Assets	-	-	-	(21.96)
Less: Provision for Non Performing Assets	(120.04)	(186.41)	(528.17)	(28.78)
Total	2,27,516.52	1,56,169.32	55,715.44	24,794.19

13. Other Loans and Advances

(₹ In Lakh)

	Non-Current		Current	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Unsecured, considered good				
Capital Advances	1,336.00	1,112.92	720.06	851.02
Security Deposits	351.50	248.87	20.43	34.35
Income Tax Deposits (Net of provision for taxation)	375.71	1,177.22	-	-
MAT Entitlement (A.Y. 2018-19)	258.53	-	-	-
Other Advances	-	-	36.22	4.79
Prepaid Expenses	22.84	21.99	163.66	92.91
Loans to Employees	76.44	81.02	42.23	54.50
Total	2,421.02	2,642.03	982.60	1,037.57

14. Other Assets

(₹ In Lakh)

	Non-Current		Current	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Interest accrued but not due on Loans	-	-	1,411.89	1,085.52
Current/Non Current Maturities of Fixed Deposits with original maturity for more than 12 months	1.65	727.67	1,405.03	1,975.19
Interest accrued but not due on FD and Bonds	0.01	15.53	289.66	74.99
Asset held for Sale*	-	429.81	429.81	-
Inventory of Gift Items	-	-	-	60.91
TDS Receivable	0.13	-	-	-
Service Tax Receivables	-	-	-	30.18
GST Receivable	-	-	37.35	-
Total	1.79	1,173.01	3,573.74	3,226.77

Note :

Fixed Deposits of ₹ 500.00 Lakh (31st March 2017 ₹ 500.00 Lakh) have been pledged as security for overdraft facility from bank

* The Group has repossessed property of ₹ 429.81 Lakh in settlement of loan outstanding

15. Trade receivables

(₹ In Lakh)

	31-03-2018	31-03-2017
Outstanding for a period exceeding six months from the due date of payment	-	-
Outstanding for a period less than six months	99.00	72.62
Total	99.00	72.62

16. Cash and Bank Balances

(₹ In Lakh)

	31-03-2018	31-03-2017
16.1 Cash and Cash equivalents		
Cash in hand	17.10	2.51
Balance with banks:		
In Current Accounts	2,873.36	1,058.14
In Unpaid Dividend Account	1.47	1.29
Total	2,891.93	1,061.94
16.2 Other Bank Balances		
Fixed Deposits with original maturity for more than 3 months but less than 12 months	244.75	79.07
	244.75	79.07
Total	3,136.68	1,141.01

17. Revenue from Operations

(₹ In Lakh)

	31-03-2018	31-03-2017
17.1 Revenue From Financial Services		
Interest Income on loans	30,955.06	20,207.40
Income from financing activities (Refer note below)	3,354.22	1,052.73
	34,309.28	21,260.13
Note: Income from financing activities includes loan processing fees and other financial charges		
17.2 Interest Income		
Interest on Bonds	162.28	-
17.3 Other Operating Income		
Provisions Written back	-	13.22
Foreclosure Fees Received	916.33	299.08
	916.33	312.30
Total Revenue from Operations	35,387.89	21,572.43

18. Other Income

(₹ In Lakh)

	31-03-2018	31-03-2017
Profit on sale of Investment	2,414.95	816.39
Interest on Bank Deposits	163.44	308.96
Advertisement Income	1,101.05	192.00
Dividend Income	49.93	103.04
Interest On Income Tax Refund	85.84	98.79
Profit on sale of Inventories	28.88	-
Profit on Sale of Bonds	4.33	-
Bad Debts Recovered	199.50	402.50
Other Income	33.93	14.61
Total	4,081.85	1,936.29

19. Employee Benefit Expenses

(₹ In Lakh)

	31-03-2018	31-03-2017
Salaries, Wages and Bonus	7,699.59	5,129.19
Contribution to Provident Fund	151.62	103.40
Gratuity Expenses	65.22	71.36
Employee Stock Option Expenses	20.36	-
Staff Welfare Expenses	188.45	157.17
Total	8,125.24	5,461.12

20. Finance Costs

(₹ In Lakh)

	31-03-2018	31-03-2017
Interest on Bank Overdraft	7.40	3,499.36
Interest on Term Loan	7,421.02	-
Interest on Bank CC	55.82	-
Loan Processing Charges	827.01	174.32
Other Borrowing Costs	1,892.97	125.03
Total	10,204.22	3,798.71

21. Depreciation and Amortization Expenses

(₹ In Lakh)

	31-03-2018	31-03-2017
Depreciation of Tangible Assets	452.24	258.57
Amortization of Intangible Assets	170.25	171.69
Total	622.49	430.26

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

(₹ In Lakh)

		31-03-2018	31-03-2017
Bad Debts Written Off	262.65		
Less:- Floating provision write Back	(262.17)	0.48	-
Provision For Standard Assets		447.83	356.05
Floating Provision For Standard Assets		783.52	937.85
Provision For Non Performing Assets		361.98	77.65
Total		1,593.81	1,371.55

(₹ In Lakh)

23. Other Expenses

	31-03-2018	31-03-2017
Advertisement Expenses	10.48	5.08
Loss on sale of Fixed Assets	7.14	0.93
Bank charges	12.51	5.44
Business Promotion Expenses	33.39	7.00
Computer Maintenance	35.30	7.85
Conveyance Expenses	220.18	119.20
Custodian Charges	4.42	2.14
Corporate Social Responsibility Expenses	192.23	196.70
Brokerage Commission	351.37	0.94
Donation	2.51	11.22
Directors Sitting Fees	24.59	20.89
Diminution in the value of Bonds	75.88	-
Filing & Other Fees to ROC	2.20	16.76
Electricity Charges	82.94	64.13
General Expenses	190.92	197.03
Insurance Charges	18.86	7.89
Legal & Professional Fees	1,361.33	927.62
Listing Fees & Stock Exchange Fees	0.39	0.42
Meeting & Conference Expenses	1.95	19.71
Meeting Expenses/ Business Promotion	5.70	-
Membership & Subscription	29.12	15.71
Motor Car Expenses	7.76	8.57
Office & General Expenses	83.43	-
Payment to Auditors (as per details given below)	29.51	12.61
Printing & Stationery	113.56	54.76
Postage & Stamps	43.46	18.95
Recruitment & Training Expenses	125.17	189.08
Rent Paid	736.99	550.02
Registration Expenses	24.03	-
Registration and license fees	-	11.00
Repairs & Maintenance	20.77	-
Software Expenses	181.26	34.51
Sundry Balance Written off	-	12.28
Fixed Assets Written off	-	21.57
Telephone and Internet Expenses	176.31	129.08
Travelling Expenses	288.89	224.17
Title Search Fees	14.38	-
Others	0.62	0.11
Total	4,509.55	2,893.37
Payment to Auditors Include		
As Auditor		
Statutory Audit Fees	13.18	6.93
Tax Audit Fees	4.09	1.85
Limited Review	7.77	1.93
In Other capacity	-	
Certification fees	3.47	1.90
	28.51	12.61

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

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

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:

Mortality	2017-18	2016-17
	Indian Assured Life Mortality (2006-08)	Indian Assured Life Mortality (2006-08)
Discount Rate	7.80%	7.22%
Salary Escalation	5.00%	5.00%
Employee Attrition Rate	10.00%	10.00%

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

(₹ In Lakh)

	2017-18	2016-17
Liability at the beginning of the Year	171.31	98.42
Interest Cost	12.37	7.83
Current Service Cost	69.04	42.31
Past Service Cost (vested benefit)	10.60	-
Benefits paid	(20.26)	(8.30)
Actuarial (Gain)/Loss on Obligations - Due to change in Demographic Assumptions	-	4.86
Actuarial (Gain)/Loss on Obligations - Due to change in Financial Assumptions	(9.31)	8.69
Actuarial (Gain)/Loss	(6.16)	19.10
Liability at the end of the Year	227.58	172.90

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

(₹ In Lakh)

	2017-18	2016-17
Investments	143.11	95.15
Expected return on plan assets	10.33	7.57
Contributions	35.00	44.65
Benefits Paid	(20.26)	(8.30)
Actuarial Gain/(Loss) on plan assets	0.99	3.85
Fair value of plan assets at the end of the year	169.16	142.93

D) Amount Recognized in Balance Sheet Provision for Gratuity

(₹ In Lakh)

	2017-18	2016-17
Liability at the end of the Year	227.58	172.90
Fair Value of plan assets at the end of the year	169.16	142.93
Difference	(58.42)	(29.97)
Amount in Balance Sheet	(58.42)	(29.97)

E) Statement of Profit and Loss

Net Employee Benefit Expenses (recognised in employee cost)

(₹ In Lakh)

	2017-18	2016-17
Current Service Cost	69.04	42.31
Interest on defined benefit obligation	2.06	0.59
Expected returns on plan assets	(0.03)	(0.33)
Net actuarial losses/(gains) recognised in the year	(16.45)	28.79
Past Service Cost	10.60	-
Total included in employee benefit expense	65.22	71.36

F) Experience Adjustment

(₹ In Lakh)

	2017-18	2016-17
Actuarial (Gains)/Losses on Obligations - Due to Experience	(5.48)	16.30
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	0.68	4.09

Leave Encashment:

A) Actuarial assumptions as at the balance sheet date:

Mortality	2017-18	2016-17
	Indian Assured Life Mortality (2006-08)	Indian Assured Life Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.
Discount Rate	7.80%	7.22%
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 defined benefit obligation are as follows:

(₹ In Lakh)

	2017-18	2016-17
Liability at the beginning of the Year	31.81	11.32
Interest Cost	2.30	0.90
Current Service Cost	44.00	15.75
Past Service Cost (vested benefit)	88.24	-
Liability Transferred In/Acquisitions	15.18	-
Liability Transferred out/Divestments	(15.18)	-
Benefits Paid Directly by the Employer	(23.73)	(3.60)
Benefits paid	(2.62)	-
Actuarial (Gain)/Loss on Obligations - Due to change in Demographic Assumptions	-	2.34
Actuarial (Gain)/Loss on Obligations - Due to change in Financial Assumptions	(5.49)	1.17
Actuarial (Gain)/Loss on Obligations - Due to Experience	45.82	4.26
Liability at the end of the Year	180.34	32.15

C) Amount Recognized in Balance Sheet

Provision for Leave Encashment

(₹ In Lakh)

	2017-18	2016-17
Present Value of Benefit Obligation at the end of the Year	(176.01)	26.17
Amount in Balance Sheet	(176.01)	26.17

D) Statement of Profit and Loss

Net Employee Benefit Expenses (recognised in employee cost)

(₹ In Lakh)

	2017-18	2016-17
Current Service Cost	44.00	15.75
Net Interest Cost	2.30	0.90
Expected returns on plan assets	-	7.77
Net actuarial losses/(gains) recognised in the year	39.85	-
Past Service Cost	88.25	-
Actuarial (gain)/losses	0.49	-
Total included in employee benefit expense	174.89	24.43

E) Experience Adjustment

(₹ In Lakh)

	2017-18	2016-17
Actuarial (Gains)/Losses on Obligations - Due to Experience	45.15	6.09
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.30	(0.06)

Note:

The Group has made provision of Leave Encashment amounting to ₹ 174.89 Lakh (31st March 2017: 24.43 Lakh) for all eligible employees.

25. Employee Stock Option Plan

The Capri Global Capital Limited has granted 14,77,500 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 ₹ 2/- each
2019-20	75,000
2020-21	4,43,250
2021-22	4,68,250
2022-23	4,91,000

During the year, the Capri Global Housing Finance Limited (Subsidiary Company), 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. 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 ₹ 10/- each
2019-20	1,50,000
2020-21	1,50,000
2021-22	2,00,000

26. Segment Reporting (AS-17)

Primary Segment (Business Segment)

The Group's reportable segments consist of Financing Activity and others, and one geographic segment viz. India. Financing activity consist of Asset Financing, Housing Finance and Term Loan. Others primarily includes Treasury activities and Investment management.

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.

(₹ In Lakh)

Particulars	For the Year Ended 31-03-2018	For the Year Ended 31-03-2017
Segment Revenue		
- Financing Activity	35,387.89	21,572.43
- Other Activity	4,081.85	1,936.29
Total	39,469.74	23,508.72
Segment Results		
- Financing Activity	11,249.50	9,436.86
- Other Activity	3,164.93	116.86
Total	14,414.43	9,553.72
Unallocable Expenses	-	-
Profit before Tax	14,414.43	9,553.72
Segment Assets		
- Financing Activity	298,395.26	194,491.16
- Other Activity	1,011.42	2,684.73
- Unallocated	1,668.06	1,436.29
Total Assets	301,074.74	198,612.18
Segment Liabilities		
- Financing Activity	174,689.95	82,299.00
- Other Activity	2.18	3.29
- Unallocated	522.47	244.59
Total Liabilities	175,214.60	82,546.88
Capital Employed		
- Financing Activity	124,850.90	113,383.86
- Other Activity	1,009.24	2,681.44

27. 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:

(₹ In Lakh)

Sr. Name of the Related Party No.	Relationship
i) Enterprises over which Management and/or their relatives have control	
1. Budhinath Advisory Services Pvt. Ltd (Formerly Known as Money Matters Infrastructure Pvt. Ltd)	
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 (Upto 4 th July,2017)
2. Mr. Quintin E Primo III	Non Executive Chairman
3. Mr. Harish Agrawal	Company Secretary
4. Mr. Bipin Kabra	Director Finance (w.e.f 17 th July,2017)

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

(₹ In Lakh)

Sr. Particulars No.	Enterprises over which Management and/or their relatives have control		Key Management Personnel		Total	
	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2017
1) Profit and Loss Account Items:						
I INCOMES:						
i. Rent Received						
Dreamwork Media & Entertainment Pvt. Ltd	0.95	7.33	-	-	0.95	7.33
II EXPENSES						
i. Rent Paid						
Parijat Properties Pvt. Ltd	45.68	84.72	-	-	45.68	84.72
ii. Salaries, Commission and other benefits						
Mr. Sunil Kapoor	-	-	31.46	131.00	31.46	131.00
Mr. Bipin Kabra	-	-	98.98	-	98.98	-
Mr. Harish Agrawal	-	-	52.97	49.28	52.97	49.28
iii. Director Sitting Fees						
Mr. Quintin E Primo III	-	-	1.50	1.20	1.50	1.20
2) Balance Sheet Items:						
a. Advances Received	-	-	-	-	-	-
b. Advances Paid	-	-	-	-	-	-

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

28. Leases (AS - 19)

Operating Leases:

The Group has taken office premises and 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 :

(₹ In Lakh)

Particulars	2017-2018	2016-2017
a) Payable not later than one year	630.51	401.69
b) Payable later than one year and not later than five years	2,545.95	1,489.36
c) Payable later than five years	1,345.10	1,918.64

The lease payments recognized in the Statement of Profit & Loss in respect of non-cancellable lease for the year are ₹ 459.76 Lakh (31st March 2017: ₹144.16 Lakh).

The lease payments recognized in the Statement of Profit & Loss in respect of cancellable lease for the year are ₹ 278.18 Lakh (31st March 2017: ₹349.63 Lakh).

The Group 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 ₹ 0.95 Lakh (31st March 2017: ₹7.33 Lakh).

29. Earnings Per Share (AS - 20)

Particulars			For Year Ended March 31, 2018	For Year Ended March 31, 2017
Net Profit after tax as per Statement of Profit and Loss	(A)	₹ In Lakh	10,406.84	5,812.23
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.	17,55,05,832	17,51,34,805
Basic earnings per equity share (in Rupees) (Face value of ₹ 10/- per share)	(A)/(B)	Rs.	5.94	3.32
Diluted earnings per equity share (in Rupees) (Face value of ₹ 10/- per share)	(A)/(C)	Rs.	5.93	3.32

Particulars			For Year Ended March 31, 2018	For Year Ended March 31, 2017
Weighted average number of equity shares for calculating EPS		Nos.	17,51,34,805	17,51,34,805
Add : Equity shares for no consideration arising on grant of stock options under ESOP		Nos.	3,71,027	-
Weighted average number of equity shares in calculation of diluted EPS		Nos.	17,55,05,832	17,51,34,805

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

31. Contingent Liability:

Income Tax matters under dispute * : ₹ 40.14 Lakh (31st March 2017 : ₹ 7.02 Lakh)

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

32. Capital and other commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ Nil (31st March 2017 ₹ 34.15 Lakh)

b) Amount payable towards acquisition of Property: ₹ 912.60 Lakh (31st March 2017 ₹ 1,763.85 Lakh)

c) Other Commitments

Pending disbursements of sanctioned loans : ₹ 85,026.31 Lakh (31st March 2017 ₹ 49,135.81 Lakh)

33. Expenditure in Foreign Currency

Foreign Travelling Expenses ₹ 42.26 Lakh (31st March 2017 : ₹ 31.06 Lakh)

Staff Welfare Expenses ₹ NIL (31st March 2017 : ₹ 14.59 Lakh)

Director Sitting Fees ₹ 1.50 Lakh (31st March 2017 : ₹ 1.20 Lakh)

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

Based on the intimation received by the Group, 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.

35. 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.

36. Subsequent Event

The Board of Directors of the Company at its meeting held on 26th May, 2018 has recommended Dividend of ₹ 0.30 per share for the Financial Year 2017-18 subject to the approval of the members at the ensuing Annual General Meeting. In terms of the revised Accounting Standards, AS-4 'Contingencies and Events Occurring after the Balance Sheet Date' as notified by the Ministry of Corporate Affairs through amendments to the Companies (Accounting Standards) Rules, 2016, the Company has not appropriated the proposed final dividend (including tax) from the Statement of Profit and Loss for the year ended March 31, 2018.

37. Previous year figures

Previous year's figures have been regrouped and reclassified wherever necessary to confirm to current year's presentation.

For and on behalf of the Board of Directors

Bipinchandra Kabra
Director-Finance
DIN 02879448

Rajesh Sharma
Director
DIN 00020037

Beni Prasad Rauka
Independent Director
DIN 00295213

Bhavin Shah
Senior Vice President
Finance & Accounts

Harish Agrawal
Senior Vice President &
Company Secretary

Place: Mumbai
Date: 26th May, 2018

Form AOC - 1

(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 Lakh)

Sr No.	Name of the Subsidiary	Capri Global Housing Finance Limited	Capri Global Resources Private Limited	Capri Global Asset Reconstruction Private Limited	Capri Global Capital (Mauritius) Limited
1	Reporting Period of the Subsidiary if Different from the Holding Company's Reporting Period	NA	NA	NA	NA
2	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	NA	NA	NA	1.88
3	Share Capital	3,690.48	55.00	250.00	-
4	Reserves & Surplus	6,610.25	(97.48)	(3.45)	-
5	Total Assets	26,284.57	4.67	247.55	12.94
6	Total Liabilities	15,983.84	47.16	1.00	0.06
7	Investments	109.74	-	-	-
8	Turnover	2,127.90	-	-	-
9	Profit/(Loss) Before Taxation	1,146.03	(19.10)	(3.29)	(0.06)
10	Provision for Taxation	91.97	24.58	0.16	-
11	Profit after Taxation	1,054.06	(43.68)	(3.45)	(0.06)
12	Proposed Dividend	-	-	-	-
13	% of Shareholding	100.00	100.00	100.00	100.00

Notes:

- | | | |
|---|---|---|
| 1 | Names of subsidiaries which are yet to commence operations: | 1. Capri Global Asset Reconstruction Private Limited
2. Capri Global Capital (Mauritius) Limited |
| 2 | Names of subsidiaries which have been liquidated or sold during the year. | NIL |

Part "B" : Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures : **Not Applicable**

For and on behalf of the Board of Directors

Bipinchandra Kabra
Director-Finance
DIN 02879448

Rajesh Sharma
Director
DIN 00020037

Beni Prasad Rauka
Independent Director
DIN 00295213

Bhavin Shah
Senior Vice President
Finance & Accounts

Harish Agrawal
Senior Vice President &
Company Secretary

Place: Mumbai
Date: 26th May, 2018

Corporate information

Board of Directors

Non-executive Chairman

Mr. Quintin E. Primo III

Managing Director

Mr. Rajesh Sharma

Director - Finance

Mr. Bipin Kabra

Directors

Mr. Beni Prasad Rauka	Independent
Ms. Bhagyam Ramani	Independent
Mr. D. R. Dogra	Independent
Mr. Mukesh Kacker	Independent
Mr. T. R. Bajalia	Independent

Senior Vice President & Company Secretary

Mr. Harish Agrawal

Auditors

M/s. Deloitte Haskins & Sells LLP
Indiabulls Finance Centre,
32nd Floor, Tower 3,
Senapati Bapat Marg,
Elphinstone Mill Compound,
Elphinstone (West),
Mumbai – 400013
Tel. No. (022) 6185 4000

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

Bankers

Andhra Bank
Bank of Baroda
Bank of India
Bank of Maharashtra
Dena Bank
HDFC Bank
ICICI Bank
Indian Bank
Karnataka Bank
Kotak Bank
Punjab National Bank
Punjab Sind Bank
Shinhan Bank
State Bank of India
UCO Bank
Union Bank of India
United Bank
Vijaya Bank
Yes 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

Security Trustee

Catalyst Trusteeship Limited
Office no. 83-87, 8th floor,
Mittal Tower, B Wing,
Nariman Point,
Mumbai – 400 021
Tel. No. (022) 49220543

Debenture Trustee

IDBI Trusteeship Services Limited
Asian Building Ground Floor,
17, R Kamani Marg,
Ballard Estate, Mumbai – 400 001
Tel. No. (022) 40807000

Board Committee

I. Audit Committee

Mr. Beni Prasad Rauka	Chairman
Mr. Mukesh Kacker	Member
Ms. Bhagyam Ramani	Member
Mr. T. R. Bajalia	Member

II. Nomination & Remuneration Committee

Ms. Bhagyam Ramani	Chairperson
Mr. Beni Prasad Rauka	Member
Mr. T. R. Bajalia	Member

III. Stakeholders Relationship Committee

Mr. Beni Prasad Rauka	Chairman
Mr. Rajesh Sharma	Member
Ms. Bhagyam Ramani	Member
Mr. Bipin Kabra	Member

IV. Corporate Social Responsibility Committee

Ms. Bhagyam Ramani	Chairperson
Mr. Bipin Kabra	Member
Mr. Beni Prasad Rauka	Member
Mr. Rajesh Sharma	Member

V. Risk Management Committee

Mr. Rajesh Sharma	Chairman
Mr. Beni Prasad Rauka	Member
Ms. Bhagyam Ramani	Member
Mr. T. R. Bajalia	Member
Mr. D. R. Dogra	Member

VI. Operations & Resources Committee

Mr. Rajesh Sharma	Chairman
Mr. Bipin Kabra	Member
Mr. Beni Prasad Rauka	Member
Ms. Bhagyam Ramani	Member

CAPRI GLOBAL 
CAPITAL LIMITED

Simpler, Better, Faster

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Capri Global Capital Limited
502, Tower- A, Peninsula Business Park,
Senapati Bapat Marg,
Lower Parel, Mumbai 400013