

CAPITAL FIRST SECURITIES LIMITED
BALANCE SHEET AS AT MARCH 31, 2017

Amount in Rupees

Particulars	Note	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	673,556,000	673,556,000
Reserves and Surplus	4	(195,051,527)	(338,181,529)
		478,504,473	335,374,471
Non - Current Liabilities			
Other Long term liabilities	5	69,853,801	62,343,721
Long term provisions	6	146,909	-
Current Liabilities			
Trade payables	7	1,495,186	833,092
Other current liabilities	8	54,456,388	31,407,708
Short term provisions	9	1,345,330	1,326,842
		127,297,614	95,911,363
TOTAL		605,802,087	431,285,834
ASSETS			
Non - Current Assets			
Non - current investments	10	282,800,000	282,800,000
Deferred tax assets (Net)	11	34,397,532	-
Other non current assets	12	15,722,825	-
Long term loans and advances	13	10,142,480	32,209,504
		343,062,837	315,009,504
Current Assets			
Current Investments	14	192,500,000	97,900,000
Trade receivables	15	4,633,696	7,608
Cash and bank balance	16	618,272	5,213,623
Short term loans and advances	17	64,987,282	13,155,099
		262,739,250	116,276,330
TOTAL		605,802,087	431,285,834
Summary of significant accounting policies	2.1		
The accompanying notes to accounts are an integral part of the financial statement			

As per our report of even date

For S.R. BATLIBOI & CO. LLP
ICA I Firm Registration No. 301003E/300005
Chartered Accountants

For and on behalf of the Board of Directors of
CAPITAL FIRST SECURITIES LIMITED

per Shrawan Jalan
Partner
Membership No. 102102

Anand Rai
Managing Director & Company
Secretary
DIN 07019167

Gourav Mardia
Director
DIN 06527313

Place: Mumbai
Date: May 08, 2017

Place: Mumbai
Date: May 08, 2017

CAPITAL FIRST SECURITIES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

Amount in Rupees

Particulars	Note	For the year ended March 31, 2017	For the year ended March 31, 2016
Income			
Revenue from Operations	18	133,629,689	20,599,354
Other Income	19	15,152,810	603,821
Total revenue		148,782,499	21,203,175
Expenses			
Employee benefits expense	20	15,096,061	4,049,500
Finance costs	21	9,081	14,160
Other expenses	22	3,204,886	2,261,855
Total Expenses		18,310,028	6,325,515
Profit before tax		130,472,471	14,877,660
Tax expense:			
- Current tax		21,740,000	-
- Deferred tax		(34,397,532)	-
		(12,657,532)	-
Profit after tax		143,130,003	14,877,660
Earnings / (Loss) per Equity Share:	23		
- Basic		2.30	(0.01)
- Diluted		2.30	(0.01)
Summary of significant accounting policies	2.1		
The accompanying notes to accounts are an integral part of the financial statement			

As per our report of even date

For S.R. BATLIBOI & CO. LLP
ICAI Firm Registration No. 301003E/300005
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For and on behalf of the Board of Directors of
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Partner
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Managing Director &
Company Secretary
DIN 07019167

Gourav Mardia
Director
DIN 06527313

Place: Mumbai
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CAPITAL FIRST SECURITIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

Amounts in Rupees

Particulars	For the year ended March 31, 2017		For the year ended March, 2016	
Profit before tax		130,472,471		14,877,660
Adjustments for:				
Excess Provision written back & Stale cheque	(570,903)		(79,221)	
Provision for doubtful advances	-		96,684	
Provision for Employee benefit	165,397		-	
Profit on sale of Investment	(13,048,424)		(132,908)	
Interest Income	(1,045,795)		-	
		(14,499,725)		(115,445)
Operating Profit Before Working Capital Changes		115,972,746		14,762,215
Increase in Loans & Advances	(31,050,573)		(7,974,470)	
Increase in Trade Receivables	(4,626,088)		(7,608)	
Increase/(Decrease) in trade payables	662,094		(212,939)	
Increase in other liabilities	31,129,663		93,625,469	
		(3,884,904)		85,430,454
Cash from operations		112,087,842		100,192,669
Income taxes (refund) /paid		(19,454,586)		(3,316,507)
Net Cash from Operating Activities		92,633,256		96,876,162
Cash flows from investing activities				
Purchase of Investments	(606,300,000)		(114,032,908)	
Proceeds from sale of investments	524,748,423		19,765,816	
Fixed Deposit from Bank	(14,677,030)		-	
Net cash used in investing activities		(96,228,607)		(94,267,092)
Cash flows from financing activities				
Net cash used in financing activities		-		-
Net (decrease) / increase in cash and cash equivalents during the year		(3,595,351)		2,609,070
Cash and cash equivalents at beginning of year		4,213,623		1,604,552
Cash and cash equivalents at end of year		618,272		4,213,623
		As at March 31, 2017		As at March 31, 2016
Cash & Cash equivalents:				
Cash on hand and bank balances		618,272		4,213,623
Total		618,272		4,213,623

Note:

1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS) - 3 'Cash Flow Statements' as notified under Section 133 of the Companies Act, 2013 ('the Act') read together with Rule 7 of the Companies Accounts Rules, 2014 and the Companies (Accounting Standard) Amendment Rule 2016

2 Cash and cash equivalents in the balance sheet comprises of Cash in hand and Cash at bank.

As per our report of even date

For S.R. BATLIBOI & CO. LLP
ICAI Firm Registration No. 301003E/300005
Chartered Accountants

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

per Shrawan Jalan

Partner
Membership No. 102102

Place: Mumbai
Date: May 08, 2017

Anand Rai
Managing Director &
Company Secretary
DIN 07019167

Gourav Mardia
Director
DIN 06527313

Place: Mumbai
Date: May 08, 2017

CAPITAL FIRST SECURITIES LIMITED

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

1 CORPORATE INFORMATION

Capital First Securities Limited ('CFSL' or 'the Company') has surrendered its license with the National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange Limited (BSE) and has received necessary final approvals from Securities & Exchange Board of India (SEBI). The Company is in the business of advisory, business support services and loan syndication.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared to comply in accordance with the Accounting Standards ('AS') notified under section 133 of the Companies Act, 2013 (the 'Act') read together with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standard) Amendment Rule 2016 and other accounting principles generally accepted in India (IGAAP). The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of Financial Statements are consistent with those used in the previous year.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Current/ Non Current classification of assets and liabilities

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

(b) Use of estimates

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

(c) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non-Current investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

(d) 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.

Fee income

Fee income are recognised as and when the loans are disbursed and for assignment on receipt of sanction letter from bank. Fee on loan is amortised over the tenure of loan. The unamortised balance is being disclosed as part of current liabilities.

Fee income on recruitment services is recognised based on completion of services.

Commission and brokerage income

Commission and brokerage income earned for the services rendered are recognised as and when they are due and amortised over the tenure of the agreement.

Interest Income

Interest income from loans is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend Income

Dividend is recognized as income when the right to receive payment is established.

Profit/ Loss on sale of investments

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

(e) Retirement and other employee benefits

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

Gratuity

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

Leave encashment

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

(f) Income Taxes

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

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

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

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

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

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

(g) Provisions

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

(h) Contingent Liabilities

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

(i) Cash and Cash Equivalents

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

(j) Earnings per share

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

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

3 Share Capital:

Amount in Rupees

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of shares	Amount	Number of shares	Amount
Authorized:				
- Equity shares of Rs. 10/- each	62,000,000	620,000,000	62,000,000	620,000,000
- Cumulative, Non-Convertible and Redeemable Preference Shares of Rs. 100/- each	3,800,000	380,000,000	3,800,000	380,000,000
	65,800,000	1,000,000,000	65,800,000	1,000,000,000

Issued, subscribed and fully paid up:

Amount in Rupees

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of shares	Amount	Number of shares	Amount
Equity Share Capital				
Equity shares of Rs. 10/- each fully paid up	55,355,600	553,556,000	55,355,600	553,556,000
Preference Share Capital				
Preference share capital of Rs. 100/- each fully paid up	1,200,000	120,000,000	1,200,000	120,000,000
		673,556,000		673,556,000

1. Reconciliation of number of shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the reporting year	55,355,600	553,556,000	55,355,600	553,556,000
Issued during the reporting year	-	-	-	-
Bought back during the reporting year	-	-	-	-
At the close of the reporting year	55,355,600	553,556,000	55,355,600	553,556,000

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the reporting year	1,200,000	120,000,000	1,200,000	120,000,000
Issued during the reporting year	-	-	-	-
Redeemed during the reporting year	-	-	-	-
At the close of the reporting year	1,200,000	120,000,000	1,200,000	120,000,000

2. Terms / rights attached to equity shares

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

3. Terms / rights attached to Preference shares

1,200,000, 13% Cumulative, Non-Convertible, Redeemable Preference Shares (CNCRPS) confer on the holders thereof the following rights and privileges:

- the right to a cumulative preferential dividend of 13% on the nominal value of the CNCRPS every year, till the redemption of these CNCRPS, subject to the availability of the distributable profits, free of Company's Income-tax, but subject to deduction of taxes at source at the rate or rates prescribed from time to time. The dividend will be calculated on a day count of 365 days a year basis and are cumulative in nature. The dividend shall be paid to such Preference Shareholders whose names appears on the Register of Preference Shareholders on the record date, as may be declared by the Company.
- the right in the event of winding up to the payment of such capital and arrears of dividend, whether earned, accrued, declared or not, down to the commencement of the winding up in priority to the equity Shares but shall not confer any further right to participate in profits or assets.
- Except as provided under section 47 of the Companies Act, 2013, Preference Shareholders have no voting rights. The CNCRPS shall carry a preferential right over the Equity Shares of the Company as regards to payment of dividend and as regards to repayment of the capital in the event of winding up.

CNCRPS are issued for a year of 5 years. At the expiry of 5 years, the Preference shareholder will be redeemed at the face value.

4. Shares held by the Holding Company :

All the Equity and Cumulative, Non-Convertible, Redeemable Preference Shares are held by the holding company - Capital First Limited (including nominees)

5. Shareholders holding more than 5% shares in the Company

Equity Share Capital

Capital First Limited - 55,355,600 Equity Shares – 100%

(Previous Year - Capital First Limited - 55,355,600 Equity Shares – 100%)

Preference Share Capital

Capital First Limited - 1,200,000 Cumulative, Non-Convertible, Redeemable Preference Shares – 100%

(Previous Year : Capital First Limited - 1,200,000 Cumulative, Non-Convertible, Redeemable Preference Shares – 100%)

6. For a five year year immediately preceding the date at which Balance Sheet is prepared:

- No Shares were allotted as fully paid up pursuant to contract(s) without payment being received in cash
- No Shares were allotted as fully paid up by way of bonus shares.
- No Shares were bought back.

CAPITAL FIRST SECURITIES LIMITED

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

4 Reserves and Surplus:

Amount in Rupees

Particulars	As at March 31, 2017	As at March 31, 2016
Securities Premium Account		
Balance as per last Balance Sheet	236,140,800	236,140,800
Statement of Profit & Loss		
Balance as per last Balance Sheet	(574,322,329)	(589,199,991)
Profit for the year	143,130,003	14,877,660
Deficit in the Statement of Profit & Loss	(431,192,327)	(574,322,329)
	(195,051,527)	(338,181,529)

5 Other Long term liabilities

Particulars	As at March 31, 2017	As at March 31, 2016
Unamortised Fees	69,853,801	62,343,721
	69,853,801	62,343,721

6 Long term provisions

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for Gratuity (Refer Note No.29)	146,909	-
	146,909	-

7 Trade Payables

Particulars	As at March 31, 2017	As at March 31, 2016
Trade Payables	1,495,186	833,092
	1,495,186	833,092

8 Other current liabilities:

Particulars	As at March 31, 2017	As at March 31, 2016
Payable to retail broking clients	-	239
Other Liabilities	35,137	-
Unamortised Fees	49,268,717	31,330,278
Statutory dues	5,152,534	77,191
	54,456,388	31,407,708

9 Short term provisions:

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for contingencies (Refer Note No - 28)	1,326,842	1,326,842
Provision for Leave encashment	17,692	-
Provision for Gratuity (Refer Note No.29)	796	-
	1,345,330	1,326,842

CAPITAL FIRST SECURITIES LIMITED

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

10 Non Current Investments:

Amount in Rupees

Details of Investments	Number of Shares	Face Value	As at March 31, 2017	Number of Shares	Face Value	As at March 31, 2016
Trade Investments (At cost unless stated otherwise)						
Unquoted equity instruments						
Investment in subsidiary (fully paid up)						
Capital First Commodities Limited	28,325,000	10	282,800,000	28,325,000	10	282,800,000
Total	28,325,000		282,800,000	28,325,000		282,800,000

Particulars	As at March 31, 2017	As at March 31, 2016
11 Deferred tax Asset		
Unamortised processing fees	34,354,934	-
Provision for retirement benefits	42,598	-
	34,397,532	-
12 Other non current assets		
Balances with banks		
- in deposit accounts exceeding twelve months maturity	14,781,610	-
Interest accrued but not due on fixed deposits	941,215	-
	15,722,825	-
13 Long term loans and advances		
(Unsecured considered good unless stated otherwise):		
Security Deposits	500,000	20,281,610
Advance Tax (net of provision for tax)	9,642,480	11,927,894
	10,142,480	32,209,504
14 Current Investments		
Investments in Mutual funds:		
(Valued at cost or Net Asset Value whichever is less)		
Reliance Liquid Fund- Treasury Plan-Direct Growth Plan (Quantity - 16412.285 units, (Previous year - 27570.379 units)	64,500,000	97,900,000
Invesco India Liquid Fund - Growth (Quantity - 28860.215 units, (Previous year - NIL units)	64,000,000	-
Mahindra Liquid Fund - Growth (Quantity - 61382.503 units, (Previous year - NIL units)	64,000,000	-
	192,500,000	97,900,000
Net Asset Value of units in mutual funds	194,335,495	101,872,981
15 Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured, considered good	-	-
- Unsecured, considered doubtful	-	-
Other debts		
- Unsecured, considered good	4,633,696	7,608
- Unsecured, considered doubtful	-	-
	4,633,696	7,608
	4,633,696	7,608
16 Cash and Cash Equivalent		
Balances with banks		
- in current accounts	618,272	4,213,623
	618,272	4,213,623
- in fixed deposit account earmarked against Trade Guarantee Fund	-	1,000,000
	-	1,000,000
	618,272	5,213,623
17 Short term loans and advances		
(Unsecured considered good unless stated otherwise) :		
Advances recoverable in cash or kind or for value to be received		
- Unsecured, considered good *	64,987,482	13,155,099
- Unsecured, considered doubtful	96,484	221,684
	65,083,966	13,376,783
Less: Provision for doubtful advances	(96,684)	(221,684)
	64,987,282	13,155,099
* Includes Rs.64,537,393 is receivable from related parties		

CAPITAL FIRST SECURITIES LIMITED

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

Amount in Rupees

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
18 Revenue from operations:		
Sale of Services:		
Fee Income	133,629,689	20,599,354
	133,629,689	20,599,354
19 Other Income:		
Profit on sale of investments	13,048,424	132,908
Interest income on fixed deposits	1,045,795	-
Interest on Income Tax Refund	341,574	390,711
Other non operating income	146,113	981
Miscellaneous Income	570,903	79,221
	15,152,810	603,821
20 Employee Benefit Expenses:		
Salaries and wages	14,880,164	4,049,500
Contribution to provident and other funds	215,897	-
	15,096,061	4,049,500
21 Finance Costs:		
Bank charges	9,081	14,160
	9,081	14,160
22 Other expenses:		
Rent	2,177,528	-
Repair and maintenance	64,649	368,984
Rates and taxes	3,440	36,738
Payment to the auditors		
- as auditor	250,000	270,000
- Tax audit fees	50,000	30,000
- for reimbursement of expenses	15,300	4,800
Business promotion and advertisement expenses	-	6,160
Communication and internet expenses	-	17,317
Directors sitting fees	360,750	350,000
Provision for doubtful advances	-	96,684
Legal and professional charges	279,009	1,078,082
Liabilities written off	4,210	-
Miscellaneous expenses	-	3,090
	3,204,886	2,261,855
23 Earnings/(Loss) per equity share (EPS):		
Basic / Diluted EPS		
Profit/ (Loss) for the year	143,130,003	14,877,660
Less: Dividend on preference shares	15,600,000	15,600,000
Net Profit/ (Loss) considered for Basic EPS	127,530,003	(722,340)
Weighted average number of equity shares	55,355,600	55,355,600
Nominal value per equity share (Rs.)	10	10
Earning/ (Loss) per equity share - (Rs.)	2.30	(0.01)

24 Contingent liabilities*Amounts in Rupees*

Particulars	As at March 31, 2017	As at March 31, 2016
Income-tax matters under dispute*	905,738	905,738
Dividend on 13% Cumulative, Non Convertible and Redeemable Preference Shares	62,699,178	47,099,178

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

25 Related Party Disclosures

Names of related parties where control exists:

Relationship	Name of the Party
Ultimate Holding Company	Cloverdell Investment Ltd.
Holding Company	Capital First Limited
Subsidiary	Capital First Commodities Limited
Fellow Subsidiaries	Capital First Home Finance Limited
Key Management Personnel	Mr. Anand Rai - Managing Director (w.e.f. 27-01-2017)

Refer Annexure 1 & 1A for the transactions with related parties

26 Segment Reporting

Since the Company has only one reportable business segment of advisory, business support services and loan syndication as primary segment and it operates in a single geographical segment within India, no disclosure is required to be given as per Accounting Standard - 17 'Segmental Reporting' as notified under Section 133 of the Companies Act, 2013 ('the Act') read together with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standard) Amendment Rules, 2016.

27 Dues to Micro, Small and Medium Enterprises as per the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2017. The information as required to be disclosed under Micro, Small and Medium Enterprises Development Act 2006 (Act) has been determined to the extent such parties have been identified on the basis of information available with the Company

28 Other Provisions

The provision for contingencies created to the extent of stamp duty on trades done in earlier years, stamp duty pertains to states wherein procedure and payment is not prescribed. The Management on a conservative basis has created the provision for the same.

29 Post-employment benefit plans

The Company had a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on leaving the services of the Company at 15 days salary (last drawn basic salary) for each completed year of service. Gratuity expenses has been included in "Contribution to provident and other funds" under Employee Benefit Expenses.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and amounts recognised in the balance sheet for respective plan.

A. Change in Present Value of Obligation

Changes in Benefit Obligation	For the year ended March 31, 2017	For the year ended March 31, 2016
Liability at the beginning of the year	-	-
Current Service Cost	42,848	-
Prior Service cost - Vested Benefit	104,857	-
Benefit Paid	-	-
Actuarial (gain)/loss on obligations	-	-
Liability at the end of the year	147,705	-

B. Amount recognised in the Statement of Profit and Loss

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Current Service Cost	42,848	-
Past Service cost	104,857	-
Actuarial (Gain) or Loss	-	-
Expense Recognised in Profit and Loss Account	147,705	-

C. Reconciliation of Balance Sheet

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Present Value of the Obligation as at the beginning of the year	-	-
Total expense recognised in the Statement of Profit and Loss	147,705	-
Benefits paid	-	-
Present Value of the Obligation as at the end of the year	147,705	-

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

Actuarial Assumptions	31-Mar-17	31-Mar-16
Employee Turnover	1%	Nil
Future Salary Rise	8%	Nil
Rate of Discounting	7.64%	Nil

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

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

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

30 The Company's pending litigations comprise of claims against the Company primarily proceedings pending with Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial results at March 31, 2017. Refer note 24 for details on contingent liabilities.

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

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

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	Nil	Nil	Nil
(+) Permitted receipts	Nil	50000	50000
(-) Permitted payments	Nil	50000	50000
(-) Amount deposited in Banks	Nil	Nil	Nil
Closing cash in hand as on 30.12.2016	Nil	Nil	Nil

33 Prior Year Comparatives

Figures for previous year have been regrouped and/or reclassified wherever considered necessary, to conform to current years' classification.

CAPITAL FIRST SECURITIES LIMITED

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

Annexure 1

Transactions with Related parties for the year ended March 31, 2017

Relationship	Holding Company		Subsidiaries/ Fellow Subsidiaries		Key Management Personnel	
	April 01,2016 to March 31, 2017	April 01,2015 to March 31, 2016	April 01,2016 to March 31, 2017	April 01,2015 to March 31, 2016	April 01,2016 to March 31, 2017	April 01,2015 to March 31, 2016
Year						
Sale of goods/services	110,262,277	39,625,000	4,565,000	3,000,000	-	-
Purchase of goods/services	10,384,423	3,646,000	-	-	-	-
Loans/ Advances Received Back	-	-	-	7,474	-	-
Loans/ Advances Given	-	6,897,418	-	7,474	-	-
Loans/ Advances Taken	4,564,931	16,720,512	-	-	-	-
Loans/ Advances Repaid	4,564,931	-	-	-	-	-
Directors Remuneration	-	-	-	-	100,000	90,000
Closing Balances : Receivable / (Payable)	As at March 31,2017	As at March 31,2016	As at March 31,2017	As at March 31,2016	As at March 31,2017	As at March 31,2016
Advances Recoverable / (Payable)	60,006,643	8,237,204	4,530,750	1,045,000	-	-

CAPITAL FIRST SECURITIES LIMITED

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

Annexure 1A

Transactions with Related parties for the year ended March 31, 2017

Particulars	Holding Company		Subsidiaries/ Fellow Subsidiaries		Key Management Personnel	
	April 01,2016 to March 31, 2017	April 01,2015 to March 31, 2016	April 01,2016 to March 31, 2017	April 01,2015 to March 31, 2016	April 01,2016 to March 31, 2017	April 01,2015 to March 31, 2016
Sale of goods/services						
Capital First Limited	110,262,277	39625000				
Capital First Home Finance Limited			4,565,000	3,000,000	-	-
Total	110,262,277	39,625,000	4,565,000	3,000,000	-	-
Purchase of goods/services						
Capital First Limited	10,384,423	3,646,000	-	-	-	-
Total	10,384,423	3,646,000	-	-	-	-
Loans/ Advances Given						
Capital First Commodities Limited	-	-		7,474	-	-
Capital First Limited	-	6,897,418	-	-	-	-
Total	-	6,897,418	-	7,474	-	-
Loans/ Advances Received Back						
Capital First Commodities Limited	-	-	-	-	-	-
Capital First Limited	-	-	-	7,474	-	-
Total	-	-	-	7,474	-	-
Loans/ Advances Taken						
Capital First Limited	4,564,931	16,720,512	-	-	-	-
Total	4,564,931	16,720,512	-	-	-	-
Loans/ Advances Repaid						
Capital First Limited	4,564,931	-	-	-	-	-
Total	4,564,931	-	-	-	-	-
Managerial Remuneration						
Mr. Anand Rai	-	-	-	-	100,000	90,000
	-	-	-	-	100,000	90,000
Closing Balance	As at March 31,2017	As at March 31,2016	As at March 31,2017	As at March 31,2016	As at March 31,2017	As at March 31,2016
Advances Recoverable / (Payable)						
Capital First Limited	60,006,643	8,237,204	-	-	-	-
Capital First Home Finance Limited	-	-	4,530,750	1,045,000	-	-
Total	60,006,643	8,237,204	4,530,750	1,045,000	-	-