

REPORT ON CORPORATE GOVERNANCE

(The Report on Corporate Governance forms part of the Directors' Report for the year ended March 31, 2016)

PHILOSOPHY ON CORPORATE GOVERNANCE:

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

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

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- timely dissemination of all unpublished price sensitive information and matters of interest to stakeholders through proper channel.

The stipulations mandated by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations"), which *inter alia* lists down various corporate governance related practices and requirements, which listed companies are required to adopt and follow have been fully complied with by your Company. This Report outlines the governance practices followed by the Company in compliance with the said requirements of the Listing Regulations.

BOARD OF DIRECTORS ("Board"):

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

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

The Directors at Capital First Limited ('Capital First') possess the highest personal and professional ethics, integrity and values and are committed to represent the long-term interest of the stakeholders. The Company's business is led by

Mr. V. Vaidyanathan, Chairman and Managing Director under the overall supervision of the Board.

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

Composition of the Board

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

As at March 31, 2016, the Board of Directors of the Company consisted of, five Independent Directors, two Non-Executive Director and one Executive Director.

Subsequent to FY 2015-16, Mr. Apul Nayyar (DIN 01738973) and Mr. Nihal Desai (DIN 03288923) were appointed as Additional Directors who acts as Whole Time Directors and Key Managerial Personnels of the Company as per the provisions of Companies Act, 2013 and were designated as 'Executive Director' of the Company w.e.f. April 4, 2016.

None of the Directors hold directorship in more than Ten Public Limited Companies or act as an Independent Director in more than Seven Listed Companies, none of the Directors acts as a member of more than Ten Committees or Chairman of more than Five Committees as on March 31, 2016 across all Public Limited Companies in which they are Directors.

None of the Non-Executive Directors held any equity shares or convertible instruments of the Company during the financial year ended March 31, 2016. None of the Directors had any relationships inter-se.

During the financial year 2015-16, five Meetings of the Board of Directors were held on following days:

April 01, 2015, May 13, 2015, August 04, 2015, November 02, 2015 and February 10, 2016 with the time gap between any two consecutive Meetings being not more than one hundred and twenty days at any point in time.

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The details of the number of Board and General Meeting(s) attended by each Director during the year ended March 31, 2016 and Directorship and/ or Membership/ Chairmanship of the Committees of Board (except Private Companies, Non-Profit Companies and Foreign Companies) held by each of them as on March 31, 2016, are given below:

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

Mr. Apul Nayyar has been appointed as an Additional Director and designated as Executive Director w.e.f. April 04, 2016.

Mr. Nihal Desai has been appointed as an Additional Director and designated as Executive Director w.e.f. April 04, 2016.

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

COMMITTEES OF THE BOARD OF DIRECTORS:

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

The details of Committees of Board of Director required as per Companies Act, 2013 and Listing Regulations are given below:

AUDIT COMMITTEE

Terms of Reference:

The terms of reference of the Audit Committee are in compliance with the provisions of Companies Act, 2013 and Listing Regulations as amended from time to time.

In addition to the matters provided in Listing Regulations and requirements of Section 177 of the Companies Act, 2013 and Reserve Bank of India, the Committee reviews the reports of the Internal Auditors, periodically meets the Statutory Auditors of the Company and discusses their findings, observations, suggestions, scope of audit etc. and also reviews internal control systems and accounting policies followed by the Company. The Committee also reviews the financial statements with the management, before their submission to the Board.

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

1. Overseeing the Company's financial reporting process and reviewing with the management, the financial statements before submission to the Board for approval;
2. Recommending to the Board the appointment, re-appointment and replacement of the Statutory Auditor and fixing their fees;
3. Reviewing the internal audit function of the Company; and

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4. Such other matters as specified under Listing Regulations and requirements of Section 177 of the Companies Act, 2013 and Reserve Bank of India or as may be delegated by the Board of Directors of the Company.

Composition and Attendance of Meeting:

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

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

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

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

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

During the year under review, the Committee met four times, i.e. May 13, 2015, August 04, 2015, November 02, 2015 and February 10, 2016. The details of the attendance of Directors at Audit Committee meetings during the financial year are as under:

| Name | Number of Audit Committee Meeting(s) Attended |
|-------------------------|---|
| Mr. Dinesh Kanabar | 04 |
| Mr. N. C. Singhal | 04 |
| Mr. Vishal Mahadevia | 04 |
| Mr. M. S. Sundara Rajan | 04 |

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

NOMINATION AND REMUNERATION COMMITTEE

Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee are in compliance with the provisions of Companies Act, 2013 and Listing Regulations as amended from time to time, and it broadly includes the following:

- Identifying and selection of candidates for appointment

as Directors/ Independent Director based on certain laid down criteria;

- Performing all such functions as are required to be performed by the Committee with regard to ESPS/ ESOPs under the Regulations issued by Securities and Exchange Board of India from time to time; and
- Such other matters as specified under Listing Regulations and requirements of Section 178 of the Companies Act, 2013 and Reserve Bank of India or as may be delegated by the Board of Directors of the Company.

Composition and Attendance at Meetings:

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

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

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

During the year under review, the Committee met two times, i.e. on April 01, 2015 and May 13, 2015. The details of the attendance of Directors at meeting(s) of the Committee held during the financial year are as under:

| Name | Number of Nomination and Remuneration Committee Meeting(s) Attended |
|-------------------------|---|
| Mr. N. C. Singhal | 02 |
| Mr. Vishal Mahadevia | 02 |
| Mr. Hemang Raja | 02 |
| Mr. M. S. Sundara Rajan | 02 |

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

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

MEETINGS OF INDEPENDENT DIRECTORS

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, a separate

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Meeting of Independent Directors was held during the year to review the performance of Non-Independent Directors and the Board as whole, and the Chairperson of the Company taking into account the views of Executive Directors and Non-Executive Directors. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties. The meeting was conducted to enable Independent Directors to discuss matters relating to Company's affairs and put forth their views without the presence of Non-Independent Directors and members of the Management.

STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of Reference:

The terms of reference of the Stakeholders Relationship Committee are in compliance with the provisions of Companies Act, 2013 and Listing Regulations as amended from time to time, which *inter alia* includes carrying out such functions for redressal of grievances of shareholders, debenture holders and other security holders, including but not limited to, transfer of shares, non-receipt of annual report, non-receipt of dividend and any other grievance that a shareholder or investor of the Company may have against the Company. The Committee also oversees and approves Transfer/Transmission/Dematerialisation of shares, issue of Duplicate/Consolidated/Split Share Certificate(s) etc.

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

Composition:

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

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

Mr. Satish Gaikwad, Head - Legal, Compliance and Company Secretary, acts as a Secretary to the Committee and is also the Compliance Officer of the Company under Listing Regulations. As the Compliance Officer he is responsible for overseeing the redressal of the investors' grievances.

During the year under review, the Committee met four times, i.e. on May 13, 2015, August 04, 2015, November 02, 2015 and February 10, 2016. The details of the attendance of Directors at

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

| Name | Number of Stakeholders Relationship Committee Meeting(s) Attended |
|----------------------------|---|
| Dr. (Mrs.) Brinda Jagirdar | 04 |
| Mr. Hemang Raja | 04 |
| Mr. V. Vaidyanathan | 04 |

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

The equity shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). As on March 31, 2016, the Company has 1,18,479 shareholders.

At the beginning of the year, there were no complaints/ correspondences which were pending. During the year under review, the Company and M/s. Link Intime India Private Limited, the Registrar and Share Transfer Agent, received 13 complaints/ correspondence/ grievances. All the complaints/ correspondence/ grievances were resolved/ replied during the year and none are pending as on March 31, 2016.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Terms of Reference:

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

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

Composition:

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

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

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

During the year under review, the Committee met once, i.e. on December 15, 2015.

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

| Name | Number of Corporate Social Responsibility Committee Meeting(s) Attended |
|----------------------------|---|
| Mr. Hemang Raja | 01 |
| Dr. (Mrs.) Brinda Jagirdar | 01 |
| Mr. Vishal Mahadevia | 01 |
| Mr. V. Vaidyanathan | 01 |

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

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION POLICY

Pursuant to the requirement of Companies Act, 2013 read with Rules, provision of Listing Regulations and Circular/ Notification/ Directions issued by Reserve Bank of India from time to time, the Board of Directors on the recommendation of Nomination and Remuneration Committee had adopted Nomination and Remuneration Policy of Directors, Key Managerial Personnel, Senior management and other employees. The said Policy also includes criteria for making payments to Non-Executive Directors.

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

There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.

Details of Equity Shares and Stock Options held and remuneration of Directors for the year ended March 31, 2016: (Amt. in ₹)

| Name of the Director | Equity Shares held (Nos.) | Stock Options Held (Nos.) | Sitting Fees | Gross Remuneration | Gross Commission for FY 2014-15 paid during FY 2015-16 | Gross Commission for FY 2015-16 payable during FY 2016-17 |
|----------------------------|---------------------------|---------------------------|--------------|--------------------|--|---|
| Mr. V. Vaidyanathan | #51,15,291 | 74,91,000 | - | ^7,12,05,479 | - | - |
| Mr. N. C. Singhal | - | - | 5,20,000 | N.A. | 15,00,000 | 17,50,000 |
| Mr. Vishal Mahadevia | - | - | N.A. | N.A. | N.A. | N.A. |
| Mr. Hemang Raja | - | - | 2,60,000 | N.A. | 15,00,000 | 17,50,000 |
| Mr. M. S. Sundara Rajan | - | - | 2,40,000 | N.A. | 15,00,000 | 17,50,000 |
| Dr. (Mrs.) Brinda Jagirdar | - | - | 2,20,000 | N.A. | 7,50,000 | 17,50,000 |
| Mr. Dinesh Kanabar | - | - | 2,00,000 | N.A. | 3,75,000 | 17,50,000 |
| Mr. Narendra Ostawal | - | - | N.A. | N.A. | N.A. | N.A. |

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

^ Gross Remuneration of Mr. V. Vaidyanathan includes salary, leave encashment, perk and bonus but does not include Provident Fund.

N.A.: Not Applicable.

CODE OF CONDUCT

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

SUBSIDIARY COMPANY

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

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

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

WHISTLE BLOWER POLICY AND VIGIL MECHANISM

As per the provisions of Section 177 of Companies Act, 2013 every listed company or such class or classes of companies, as may be prescribed shall establish a vigil mechanism for the

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directors and employees to report their genuine concerns in such manner as may be prescribed. We affirm that no employee/ personnel of the Company were denied access to the Chairman of the Audit Committee.

Accordingly, this Company has in place the Whistle Blower Policy pursuant to the requirements prescribed by the Companies Act, 2013 and the Listing Regulations and the same has been put on the Company's website and the web link is <http://www.capitalfirst.com/pdfs/whistle-blower-policy-and-vigil-mechanism.pdf>

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has familiarized its Independent Directors with the Company, their roles, rights, responsibilities in the Company,

nature of the industry in which the Company operates, business model of the Company, etc.

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

GENERAL BODY MEETINGS

Details of General Meetings

During last three years, Eighth, Ninth and Tenth Annual General Meetings of the equity shareholders of the Company were held. The details of the said Meetings and the Special Resolutions passed thereat are as follows:

| General Meeting | Date, Time and Venue | Special Resolutions passed |
|-------------------------------|---|--|
| Eighth Annual General Meeting | August 22, 2013, at 3:00 p.m. at the Mini Theatre, 3 rd Floor, P. L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai – 400 025 | <ul style="list-style-type: none"> a) Approved the revision in remuneration payable to Mr. V. Vaidyanathan, Chairman and Managing Director of the Company. b) Approved raising of funds / resources in Indian Rupees or equivalent thereof in any foreign currency upto ₹ 300 crore through various domestic / international options, including QIP/ ECBs with conversion into shares/ FCCBs/ ADRs/ GDRs/ FPO/ OCPS/ CCPS etc., pursuant to Section 81(1A) of the Companies Act, 1956. c) Approved Modification of 'Exercise Period' in all Employee Stock Option Schemes viz. CFL ESOS-2007, CFL ESOS-2008, CFL ESOS-2009, CFL ESOS-2011 and CFL ESOS-2012 (Collectively "ESOS Schemes") applicable to employees of the company & its subsidiaries to 5 years from the Date of Vesting or ten years from the Grant Date, whichever is later. |
| Ninth Annual General Meeting | June 18, 2014, at 3:00 p.m. at the Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 | <ul style="list-style-type: none"> a) Alteration in Articles of Association. b) Approval of CMD Stock Options Scheme 2014. c) Approval to grant, offer and issue options equal to or exceeding 1% of the issued capital to Mr. V. Vaidyanathan under CMD Stock Options Scheme 2014. |
| Tenth Annual General Meeting | July 20, 2015 at 3.00 p.m. at the Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 | <ul style="list-style-type: none"> a) Reclassification of Authorised Share Capital of the Company. b) Approval for revision in remuneration payable to Mr. V. Vaidyanathan, Chairman and Managing Director (DIN 00082596) from April 01, 2015 to August 09, 2015. c) Approval for re-appointment of Mr. V. Vaidyanathan, Chairman and Managing Director (DIN 00082596) for a period of five years with effect from August 10, 2015. d) Approval for increase in borrowing limits under Section 180 (1)(c) of the Companies Act, 2013. e) Approval for issue of Non-Convertible debentures in one or more tranches on a private placement basis. |

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POSTAL BALLOT

There was no postal ballot held during the financial year 2015-16.

DISCLOSURES

i) Related Party Transactions

The Company has no material significant related party transactions that may have a potential conflict with the interest of the Company. The details of transactions between the Company and the related parties are given under Notes to the Financial Statement for the year ended March 31, 2016. The Board has approved a policy for related party transactions which has been uploaded on the Company's website and the web link is <http://www.capitalfirst.com/pdfs/Policy-on-Related-Party-Transactions.pdf>.

ii) No Penalty or Strictures

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

iii) The Company has complied with all the mandatory requirements of Corporate Governance as on March 31, 2016 and are in compliance with the requirements of Corporate Governance under Clause 49 of the Listing Agreement entered with the Stock Exchanges or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

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

1. The Board:

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

2. Shareholders' Rights:

The quarterly and half yearly financial results are published in the newspapers and are also posted on

the Company's website, the same are not being sent to each household of shareholders.

3. Modified opinion(s) in Audit Report:

There are no modified audit opinion(s) in the financial statements for the financial year 2015-16.

4. Separate post of Chairman and Chief Executive Officer:

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

5. Reporting of Internal Auditor:

The Internal Auditor reports directly to the Audit Committee.

MEANS OF COMMUNICATION

Quarterly/ annual audited financial results are regularly submitted to all the Stock Exchanges where the shares of the Company are listed in accordance with the Listing Regulations and are widely published in a prominent English newspaper "The Free Press Journal" and in a regional language newspaper "Navshakti, Mumbai". The quarterly/annual results are also displayed on the Company's website www.capitalfirst.com soon after their declaration. All official press releases, presentations to analysts and institutional investors and other general information about the Company are also available on the Company's website.

GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting:

- Day, Date and Time : Tuesday, July 05, 2016; 3:00 p.m.
- Venue : Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018.

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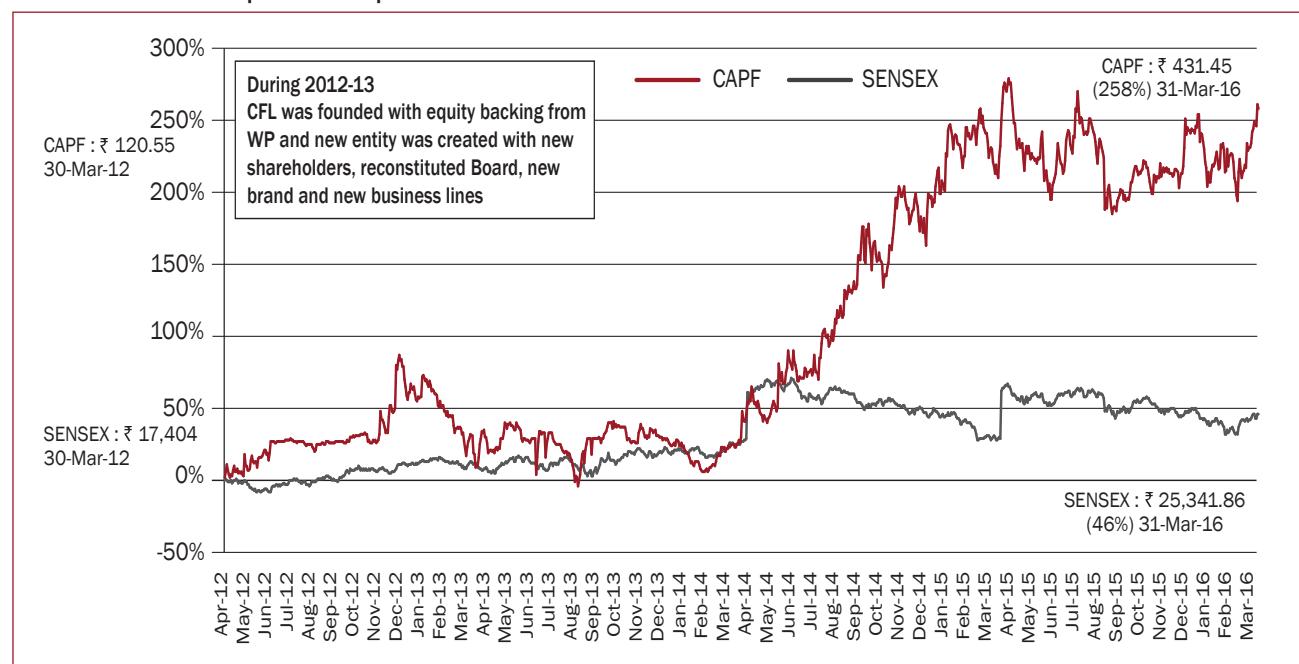
2. Tentative Financial : The financial year of the Company is from April 01 to March 31 of the following year.
- First Quarter Results: First week of August, 2016
 - Second Quarter Results : Second week of November, 2016
 - Third Quarter Results : First week of February, 2017
 - Fourth Quarter Results : Third week of May, 2017
3. Dates of Book Closure : June 29, 2016
4. Dividend Payment Date : On or after July 06, 2016
5. Listing on Stock Exchanges : **BSE Limited (BSE)**
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001
National Stock Exchange of India Limited (NSE)
Exchange Plaza, 5th Floor,
Plot No. C/1, G-Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051
6. Listing Fees : Listing fees of both the Stock Exchanges for the year 2015-16 have been paid.
7. Stock Code
BSE : 532938
NSE : CAPF
International Securities Identification Number (ISIN) : INE688I01017

8. **Market Price Data during the financial year ended March 31, 2016:**

| Month | BSE | | NSE | |
|-----------------|--------|--------|--------|--------|
| | High | Low | High | Low |
| April, 2015 | 464.80 | 386.00 | 464.10 | 386.00 |
| May, 2015 | 412.95 | 378.00 | 413.90 | 378.60 |
| June, 2015 | 418.50 | 350.00 | 418.65 | 348.00 |
| July, 2015 | 449.95 | 382.00 | 450.00 | 381.90 |
| August, 2015 | 441.00 | 320.95 | 442.00 | 321.00 |
| September, 2015 | 373.00 | 336.40 | 373.55 | 336.00 |
| October, 2015 | 394.25 | 355.50 | 394.95 | 355.60 |
| November, 2015 | 388.90 | 353.25 | 388.90 | 352.30 |
| December, 2015 | 425.30 | 364.00 | 426.80 | 364.00 |
| January, 2016 | 437.05 | 362.00 | 438.00 | 365.00 |
| February, 2016 | 416.00 | 348.00 | 408.95 | 346.20 |
| March, 2016 | 446.00 | 358.00 | 446.75 | 355.10 |

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Performance of share price in comparison with BSE SENSEX:



9. Distribution of Shareholdings as at March 31, 2016:

| Sr. No. | Category (No. of Shares) | | Shareholders | | Share Amount | |
|---------|--------------------------|----------|-----------------|---------------|---------------------|---------------|
| | ₹ | ₹ | Number | % to Total | In ₹ | % to Total |
| | (1) | | (2) | (3) | (4) | (5) |
| 1 | Upto - | 5,000 | 1,15,995 | 97.90 | 3,40,93,860 | 3.74 |
| 2 | 5,001 - | 10,000 | 1,209 | 1.02 | 95,02,640 | 1.04 |
| 3 | 10,001 - | 20,000 | 613 | 0.52 | 90,56,950 | 0.99 |
| 4 | 20,001 - | 30,000 | 192 | 0.16 | 49,06,540 | 0.54 |
| 5 | 30,001 - | 40,000 | 86 | 0.07 | 30,49,540 | 0.33 |
| 6 | 40,001 - | 50,000 | 69 | 0.06 | 32,97,970 | 0.36 |
| 7 | 50,001 - | 1,00,000 | 160 | 0.14 | 1,18,19,190 | 1.30 |
| 8 | 1,00,001 and above | | 155 | 0.13 | 83,66,50,750 | 91.70 |
| | Total | | 1,18,479 | 100.00 | 91,23,77,440 | 100.00 |

10. Categories of Shareholdings as on March 31, 2016:

| Category | No. of Shares | % |
|--|--------------------|---------------|
| Promoter and Promoter Group | 5,94,85,602 | 65.20 |
| Mutual Funds | 61,79,732 | 6.77 |
| Banks, Financial Institutions, Insurance Companies | 28,63,150 | 3.14 |
| Foreign Institutional Investors | 41,73,421 | 4.57 |
| Bodies Corporate | 60,81,743 | 6.67 |
| Individuals | 82,18,840 | 9.01 |
| Non-Resident Individuals | 9,92,013 | 1.09 |
| Others* | 32,43,243 | 3.55 |
| Total | 9,12,37,744 | 100.00 |

* Includes Foreign Portfolio Investors, Clearing members, Hindu Undivided Family and Trusts

REPORT ON CORPORATE GOVERNANCE (CONTD.)

11. Registrar and Share Transfer Agents : Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, LBS Marg,
Bhandup (West), Mumbai - 400 078.
Tel. No.: +91 22 2594 6970; Fax No.: +91 22 2594 6969
E-mail : rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in
- TSR Darashaw Limited
6-10, Haji Moosa Patrawala Industrial Estate,
Nr. Famous Studio, 20,
Dr. E. Moses Road, Mahalaxmi,
Mumbai - 400011
Tel: +91-22-6656 8484
Extn.: 416
Fax: +91-22-6656 8494
Contact Person:
Ms. Shehnaz Billimoria
E-mail : csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com
12. Dematerialisation of shares and liquidity : Equity shares of the Company are under compulsory Demat trading. As on March 31, 2016, a total of 9,12,37,569 equity shares aggregating to 99.99% of the total issued, subscribed and paid-up equity share capital of the Company, are in dematerialised form.
13. Outstanding GDRs / ADRs / Warrants or any Convertible instruments : Nil
14. Commodity price risk or foreign exchange risk and hedging activities : During the year under review, the Company has managed the foreign exchange risk on a fully hedged basis.
15. Plant Locations : Not Applicable
16. Address for correspondence : Mr. Satish Gaikwad
Head - Legal, Compliance & Company Secretary
Capital First Limited
Indiabulls Finance Centre, 15th Floor, Tower-2,
Senapati Bapat Marg, Elphinstone (West), Mumbai - 400 013.
Tel. No.: +91 22 4042 3400
Fax No.: +91 22 4042 3401
Website: www.capitalfirst.com
E-mail: secretarial@capfirst.com
CIN: L29120MH2005PLC156795

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Registrar and Share Transfer Agent

Link Intime India Private Limited

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

17. Debenture Trustees

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

GDA Trusteeship Limited
Office No. 83 - 87, 8th Floor, B Wing,
Mittal Tower, Nariman Point,
Mumbai - 400021.
Tel. No.: +91 22 4922 0555
Fax No.: +91 22 4922 0505
Contact Person: Umesh Salvi
Email: umesh.salvi@gdatrustee.com
Website: www.gdatrustee.com

18. Designated E-mail ID

: secretarial@capfirst.com

19. Share Transfer System

: Applications for transfers, transmission and transposition are received by the Company at its Registered Office or at the office(s) of its Registrars and Share Transfer Agent. As the shares of the Company are in dematerialised form, the transfers are duly processed by NSDL/ CDSL in electronic form through the respective depository participants. Shares which are in physical form are processed by the Registrars and Share Transfer Agent on a regular basis and the certificates are dispatched directly to the investors.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

20. Pursuant to the requirements of the Circular dated April 24, 2009, issued by the Securities and Exchange Board of India ("SEBI") and in accordance with the Listing Regulations, the details are given below:-

| Particulars | Aggregate number of shareholders | Outstanding shares in Unclaimed suspense account |
|---|----------------------------------|--|
| Outstanding shares in the suspense account at the beginning of the year | 366 | 2928 |
| Number of shareholders who approached for transfer of shares during the year | # 1 | 8 |
| Number of shareholders to whom shares were transferred from suspense account during the year. | # 2 | 16 |
| Outstanding shares in the suspense account at the end of the year | 364 | 2912 |

One shareholder had approached during FY 2014-15 for transfer of shares and the same were transferred from unclaimed suspense account during the FY 2015-16.

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

On behalf of the Board of Directors

Place : Mumbai
Date : May 13, 2016

V. Vaidyanathan
Chairman & Managing Director
DIN: 00082596

CODE OF CONDUCT - DECLARATION

In accordance with Regulation 34(3) and Regulation 53(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I confirm that the Members of the Board of Directors and the Senior Management personnel of Capital First Limited have affirmed compliance with the Company's Code of Conduct for the financial year 2015-16.

For Capital First Limited

Place : Mumbai
Date : May 13, 2016

V. Vaidyanathan
Chairman & Managing Director
DIN 00082596

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
Capital First Limited

We have examined the compliance of conditions of corporate governance by Capital First Limited (“the Company”), for the year ended on March 31, 2016, as stipulated in Clause 49 of Listing Agreement and Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with stock exchange(s).

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement and Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

Makarand Joshi
Partner
FCS No.: 5533
CP No.: 3662

Place : Mumbai
Date : May 13, 2016