

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION:

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

PHILOSOPHY ON CORPORATE GOVERNANCE:

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

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

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

BOARD OF DIRECTORS ("BOARD")

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

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

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

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

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

Composition of the Board

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

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

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

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

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

REPORT ON CORPORATE GOVERNANCE (CONTD.)

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

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

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

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

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

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

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

COMMITTEES OF THE BOARD OF DIRECTORS:

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

AUDIT COMMITTEE

Terms of Reference

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

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

REPORT ON CORPORATE GOVERNANCE (CONTD.)

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

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

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

Composition and Attendance of Meeting:

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

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

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

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

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

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

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

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

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

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

NOMINATION AND REMUNERATION COMMITTEE

Terms of reference:

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

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

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

Composition and Attendance at Meetings:

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

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

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

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

REPORT ON CORPORATE GOVERNANCE (CONTD.)

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

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

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of reference:

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

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

Composition:

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

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

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

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

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

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

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

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

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

Terms of reference:

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

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

REPORT ON CORPORATE GOVERNANCE (CONTD.)

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

Composition:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

REPORT ON CORPORATE GOVERNANCE (CONTD.)

CODE OF CONDUCT

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

SUBSIDIARY COMPANY

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

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

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

WHISTLE BLOWER POLICY AND VIGIL MECHANISM

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

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

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

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

MEETINGS OF INDEPENDENT DIRECTORS

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

GENERAL BODY MEETINGS:

Details of General Meetings

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

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

REPORT ON CORPORATE GOVERNANCE (CONTD.)

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

POSTAL BALLOT:

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

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

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Procedure for Postal Ballot-

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

DISCLOSURES:

i) Related Party Transactions

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

ii) No Penalty or strictures

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

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

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

1. The Board:

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

2. Shareholders' Rights

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

3. Audit Qualifications

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

4. Seperate post of Chairman and CEO

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

5. Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

MEANS OF COMMUNICATION:

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

GENERAL SHAREHOLDER INFORMATION:

1. Annual General Meeting:

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

2. Tentative Financial :

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

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

3. Date of Book Closure :

July 14, 2015

4. Dividend Payment Date :

On or after July 21, 2015

REPORT ON CORPORATE GOVERNANCE (CONTD.)

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

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

BSE : 532938

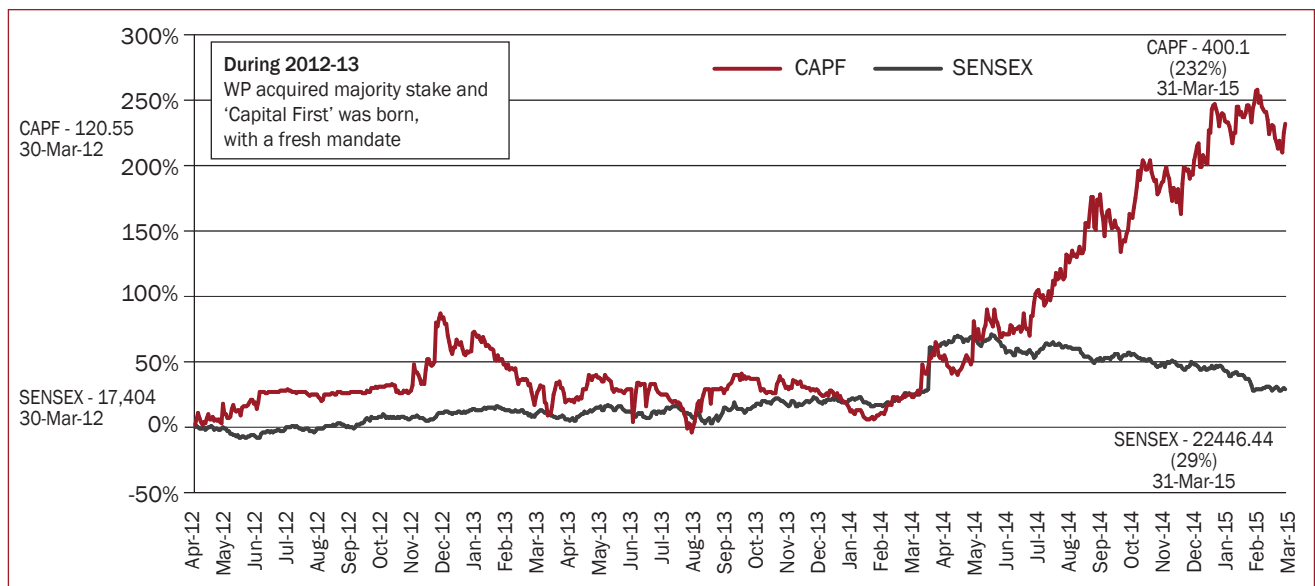
NSE : CAPF

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

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

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

Performance of share price in comparison with BSE SENSEX:



REPORT ON CORPORATE GOVERNANCE (CONTD.)

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

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

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

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

* Includes Foreign Portfolio Investors, Clearing members and Trusts

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

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Mr. Satish Gaikwad

Head – Legal, Compliance & Company Secretary
Capital First Limited

Indiabulls Finance Centre, 15th Floor, Tower-2,
Senapati Bapat Marg, Elphinstone (West), Mumbai – 400 013.

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

Website: www.capfirst.com

CIN: L29120MH2005PLC156795

16. Designated E-mail ID

: secretarial@capfirst.com

17. Share Transfer System

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

18. Pursuant to the requirements of the Circular dated April 24, 2009, issued by the Securities & Exchange Board of India (“SEBI”) and in accordance with Clause 5A of the Listing Agreement, the details are given below:

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

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

Place : Mumbai

Date : May 13, 2015

CODE OF CONDUCT - DECLARATION

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

For Capital First Limited

V. Vaidyanathan

Chairman & Managing Director

DIN 00082596

Place : Mumbai

Date : May 13, 2015

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
Capital First Limited

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

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

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

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

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

Makarand Joshi

Partner

FCS No.: 5533

CP No: 3662

Place : Mumbai

Date : May 13, 2015