

EXPANDING HORIZONS

CAPITAL FIRST LIMITED
ANNUAL REPORT 2017-18

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OUR VISION

**TO BE A LEADING FINANCIAL SERVICES PROVIDER - ADMIRERD
AND RESPECTED FOR HIGH CORPORATE GOVERNANCE, ETHICS
AND VALUES**

**TO SUPPORT THE GROWTH OF SELF-EMPLOYED ENTERPRISES
AND MSMEs IN INDIA WITH DEBT CAPITAL THROUGH
TECHNOLOGY-ENABLED PLATFORMS AND PROCESSES**

**TO FINANCE THE ASPIRATIONS OF THE INDIAN CONSUMERS
USING NEW-AGE ANALYTICS AND TECHNOLOGY SOLUTIONS**

CORPORATE INFORMATION

<p>BOARD OF DIRECTORS</p> <p>Mr. V. Vaidyanathan Chairman & Managing Director DIN - 00082596</p> <p>Mr. N. C. Singhal Independent Director DIN - 00004916</p> <p>Mr. Vishal Mahadevia Non-Executive Director DIN - 01035771</p> <p>Mr. M. S. Sundara Rajan Independent Director DIN - 00169775</p> <p>Mr. Hemang Raja Independent Director DIN - 00040769</p> <p>Dr. (Mrs.) Brinda Jagirdar Independent Director DIN - 06979864</p> <p>Mr. Dinesh Kanabar Independent Director DIN - 00003252</p> <p>Mr. Narendra Ostawal Non-Executive Director DIN - 06530414</p> <p>Mr. Apul Nayyar Executive Director DIN - 01738973</p> <p>Mr. Nihal Desai Executive Director DIN - 03288923</p>	<p>HEAD - LEGAL, COMPLIANCE & COMPANY SECRETARY</p> <p>Mr. Satish Gaikwad</p> <p>INVESTOR RELATIONS</p> <p>Mr. Saptarshi Bapari</p> <p>LIST OF BANKING RELATIONSHIPS & SUBSCRIBERS TO DEBT ISSUES</p> <p>Aditya Birla Sunlife Mutual Fund</p> <p>Andhra Bank</p> <p>Army Group Insurance Fund</p> <p>Axis Bank</p> <p>Bajaj Allianz General Insurance</p> <p>Bajaj Allianz Life Insurance</p> <p>Bank of Baroda</p> <p>Bank of India</p> <p>Bank of Maharashtra</p> <p>BNP Paribas Mutual Fund</p> <p>Canara Bank</p> <p>Canara HSBC Oriental Bank of Commerce Life Insurance</p> <p>Canara Robeco Mutual Fund</p> <p>Central Bank of India</p> <p>Cholamandalam MS General Insurance</p> <p>CITI Bank</p> <p>Corporation Bank</p> <p>Dena Bank</p> <p>Deutsche Bank</p> <p>Dhanlaxmi Bank</p> <p>DHFL General Insurance</p> <p>DHFL Pramerica Life Insurance</p>	<p>DHFL Pramerica Mutual Fund</p> <p>Edelweiss Mutual Fund</p> <p>Equitas Small Finance Bank</p> <p>Federal Bank</p> <p>Franklin Mutual Fund</p> <p>Future Generali India Insurance</p> <p>General Insurance Corporation</p> <p>HDFC Bank</p> <p>HDFC Ergo General Insurance</p> <p>HDFC Standard Life Insurance</p> <p>HSBC Mutual Fund</p> <p>ICICI Bank</p> <p>IDBI Bank</p> <p>IDBI Mutual Fund</p> <p>IDFC Bank</p> <p>Indiafirst Life Insurance</p> <p>Indian Bank</p> <p>Indian Overseas Bank</p> <p>IndusInd Bank</p> <p>JM Financial Mutual Fund</p> <p>Kotak Mahindra Bank</p> <p>LIC Mutual Fund</p> <p>Mahindra Mutual Fund</p> <p>Max Bupa Health Insurance</p> <p>Mirae Mutual Fund</p> <p>MUDRA</p> <p>National Bank for Agriculture and Rural Development</p> <p>Oriental Bank of Commerce</p> <p>Postal Life Insurance Fund</p> <p>Punjab and Sind Bank</p> <p>Punjab National Bank</p>	<p>RBL Bank</p> <p>Reliance General Insurance</p> <p>Reliance Mutual Fund</p> <p>Religare Health Insurance</p> <p>Royal Sundaram General Insurance</p> <p>Rural Postal Life Insurance Fund</p> <p>SBI General Insurance</p> <p>SBI Mutual Fund</p> <p>SBM Bank (Mauritius)</p> <p>Shriram Life Insurance</p> <p>Small Industries Development Bank of India</p> <p>Standard Chartered Bank</p> <p>Star Union Dai-ichi Life Insurance</p> <p>State Bank of India</p> <p>Sundaram Mutual Fund</p> <p>Suryoday Small Finance Bank</p> <p>Syndicate Bank</p> <p>The Hongkong and Shanghai Banking Corporation</p> <p>The New India Assurance</p> <p>UCO Bank</p> <p>Union Bank of India</p> <p>Union Mutual Fund</p> <p>United Bank of India</p> <p>UTI Mutual Fund</p> <p>Vijaya Bank</p> <p>STATUTORY AUDITORS</p> <p>M/s. B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022)</p>
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CAPITAL FIRST AT A GLANCE



₹ 26,997 Crore
(US\$ 4.15 billion)

AUM



₹ 3,993 Crore
(US\$ 0.61 billion)

Total Capital



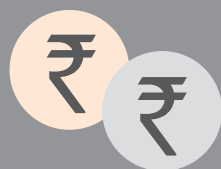
AAA

Credit Rating



6.08 million

Customers Financed



1.62%

Gross NPA



1.00%

Net NPA

EVOLUTION OF CAPITAL FIRST

Since this is possibly the last standalone Annual Report for Capital First*, we thought it important to chronicle the origin and evolution of Capital First into its current form as follows:



2008-10

The Company was largely in the business of Wholesale Financing, Private Equity, Asset Management, Foreign Exchange and Retail Equity Broking. The total AUM of the Company was ₹ 935 Crore (US\$ 145 mn), largely in wholesale loan and real estate developer financing.



2010-11

Mr. V Vaidyanathan joined the Company and prepared the ground for executing a Management Buyout by taking significant corporate actions including divesting Forex JV to JV partner, merging a subsidiary NBFC with itself, by winding down other non-core businesses and launching retail businesses in the Company. The Company launched technology driven financial services businesses for the consumer and SME segments. The Retail loan book crossed ₹ 700 Crore (US\$ 108 mn) by March 2011. The Company presented this as proof of concept to many global private equity players for Buyout.



2011-12

The Company continued to present the concept to prospective Private Equity players throughout the year. The Company undertook additional corporate actions and further wound down non-core business subsidiaries and launched more retail financing businesses. The concept, model and volume of retail financing businesses gained traction and reached ₹ 3,660 Crore (US\$ 554 mn), 44% of the overall AUM.

2012-13



Employees choosing the new name in FY 2012-13

FY 2012-13 was an important year for Capital First. The Company secured equity backing from Warburg Pincus for an MBO at ₹ 162 (US\$ 2.49) per share and thus Capital First was founded. As part of the transaction, an open offer was launched, the Company raised ₹ 100 Crore (US\$ 16 mn) of fresh equity capital, a new Board was reconstituted and a new brand and entity "Capital First" was created.

2013-14



The Company further raised ₹ 178 Crore (US\$ 28 mn) as fresh equity at ₹ 153 (US\$ 2.35) / share. It acquired Housing Finance Company license from National Housing Bank and launched housing finance business under its wholly-owned subsidiary.

* In view of ongoing merger which is subject to various regulatory and statutory approvals.



2014-15

The Company's Assets under Management reached ~ ₹ 12,000 Crore (US\$ 1.85 bn) and the number of customers financed since inception crossed 1.0 million. The Company raised ₹ 300 Crore (US\$ 47 mn) through QIP at ₹ 390 (US\$ 6.00) / share from marquee foreign and domestic investors.

2017-18



The Company's Asset Under Management touched ~ ₹ 27,000 Crore (US\$ 4.15 bn) and customers financed crossed 6.0 million. The Company received "Best BFSI Brand Award 2018" at The Economic Times Best BFSI Brand Awards 2018 and "Financial Services Company of the Year 2018" at VC Circle Awards 2018. In January 2018, the Company announced the merger with IDFC Bank subject to regulatory approvals.



2015-16

The Company continued to grow with focus on retail financing business. The Company received recognition as "Business Today – India's most Valuable Companies 2015" and "Dun & Bradstreet – India's top 500 Companies, 2015". The Company scrip was included in S&P BSE 500 Index.



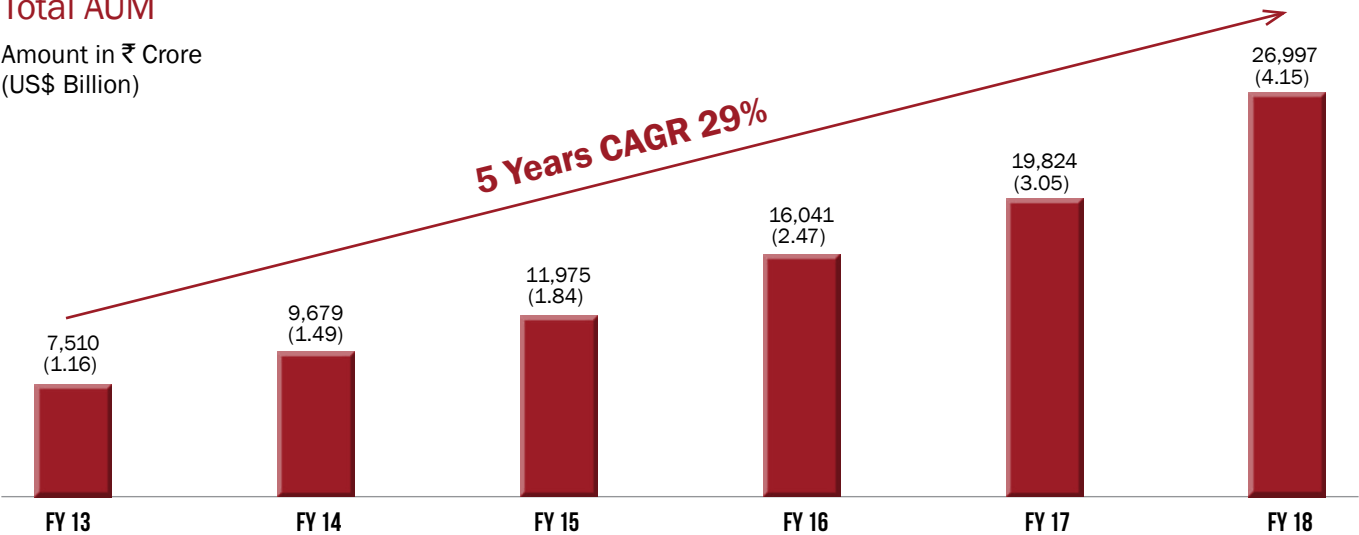
2016-17

The Company's Assets under Management reached ~ ₹ 20,000 Crore (US\$ 3.07 bn) and the number of customers financed since inception crossed 4.0 million. The Company raised fresh equity capital of ₹ 340 Crore (US\$ 50 mn) from GIC, Singapore through preferential allotment @ ₹ 712 (US\$ 10.95) / share. The Company received recognition as "CNBC Asia – Innovative Company of the Year, IBLA, 2017", "Economic Times – 500 India's Future Ready Companies 2016" and "Fortune India's Next 500 Companies, 2016".

In the last five years, Capital First has grown significantly across all key parameters

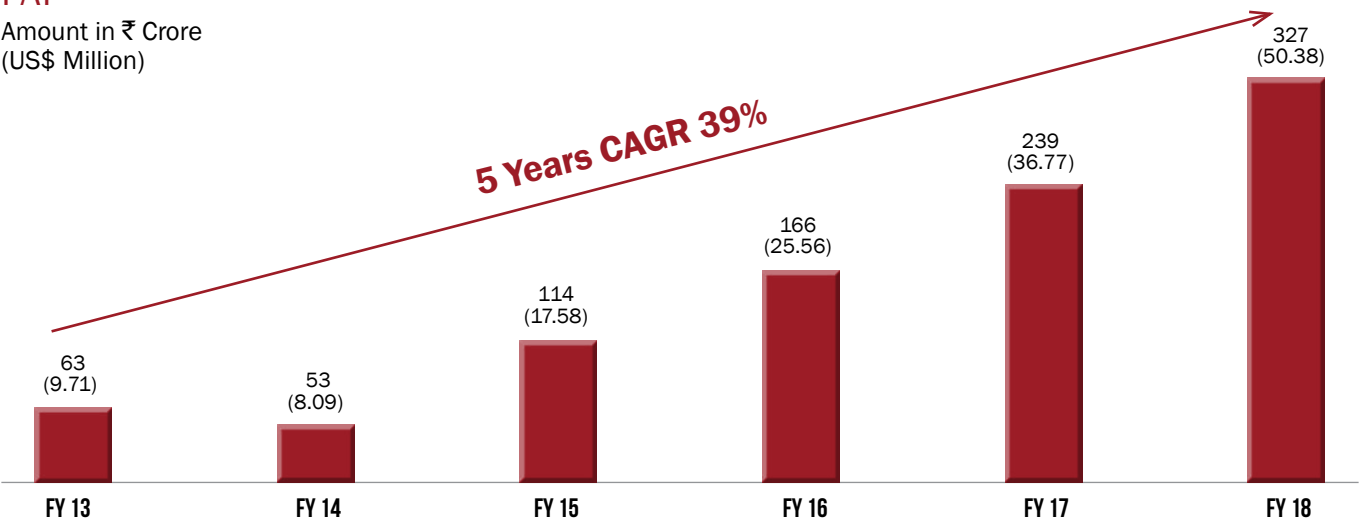
Total AUM

Amount in ₹ Crore
(US\$ Billion)



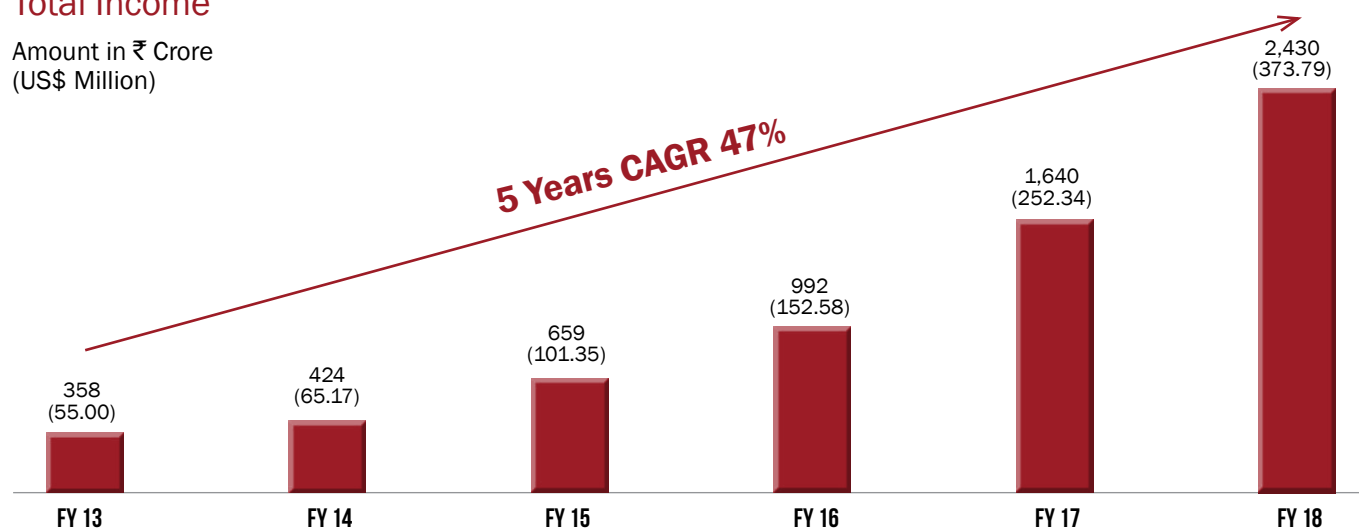
PAT

Amount in ₹ Crore
(US\$ Million)



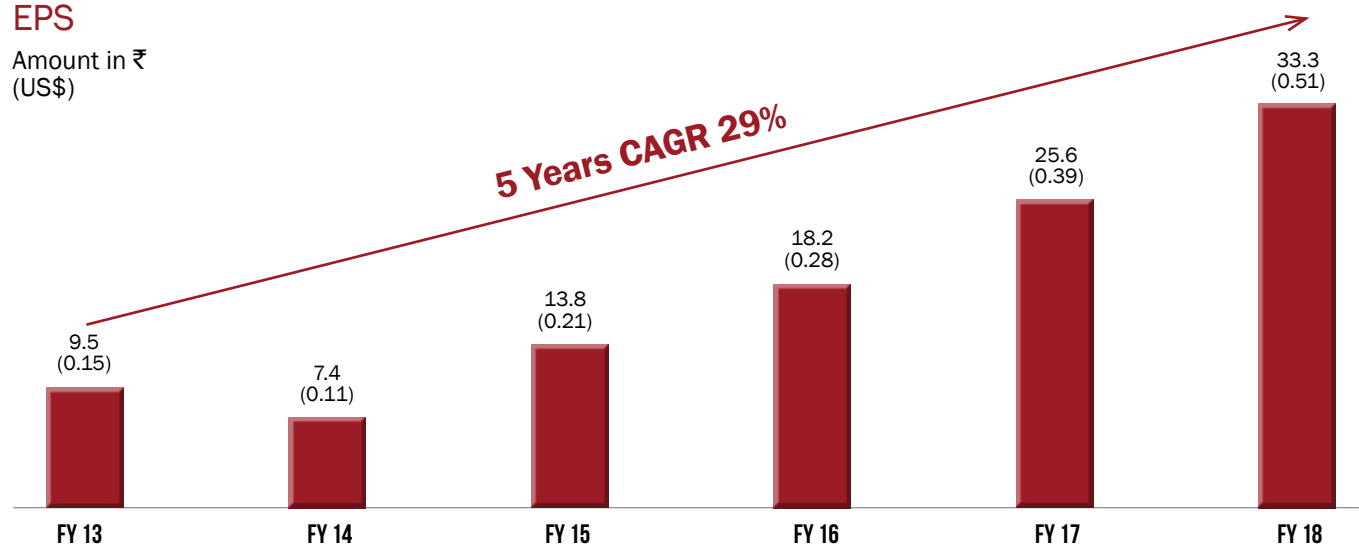
Total Income

Amount in ₹ Crore
(US\$ Million)



EPS

Amount in ₹
(US\$)



A Transformative Journey

Capital First has transformed into a strong Retail Lending NBFC in the last 8 years

